

Department of Energy

§ 625.3

(f) The decision of the Contracting Officer shall be final and conclusive and not subject to review by any forum, tribunal, or Government agency unless an appeal or action is timely commenced within the times specified by the Contract Disputes Act of 1978.

(g) The purchaser shall comply with any decision of the Contracting Officer and at the direction of the Contracting Officer shall proceed diligently with performance of this contract pending final resolution of any request for relief, claim, appeal, or action related to this contract.

(Sec. 644, Department of Energy Organization Act, Pub. L. 95-91, 91 Stat. 599 (42 U.S.C. 7254))

PART 625—PRICE COMPETITIVE SALE OF STRATEGIC PETROLEUM RESERVE PETROLEUM

Sec.

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APPENDIX A TO PART 625—STANDARD SALES PROVISIONS

AUTHORITY: 15 U.S.C. 761; 42 U.S.C. 7101; 42 U.S.C. 6201.

SOURCE: 48 FR 56541, Dec. 21, 1983, unless otherwise noted.

§ 625.1 Application and purpose.

This part shall apply to all price competitive sales of SPR petroleum by DOE. This section provides the rules for developing standard contract terms and conditions and financial and performance responsibility measures; notifying potential purchasers of those terms, conditions and measures; choosing applicable terms, conditions and measures for each sale of SPR petroleum; and notifying potential purchasers of which terms, conditions and measures will be applicable to particular sales of SPR petroleum.

§ 625.2 Definitions.

(a) *DOE*. DOE is the Department of Energy established by Public Law 95-91 (42 U.S.C. 7101 *et seq.*) and any component thereof including the SPR Office.

(b) *Notice of Sale*. The Notice of Sale is the document announcing the sale of SPR petroleum, the amount, type and location of the petroleum being sold, the delivery period and the procedures for submitting offers. The Notice of Sale will specify which contractual provisions and financial and performance responsibility measures are applicable to that particular sale of petroleum, and will provide other pertinent information.

(c) *Petroleum*. Petroleum means crude oil, residual fuel oil or any refined petroleum product (including any natural gas liquid and any natural gas liquid product) owned or contracted for by DOE and in storage in any permanent SPR facility, or temporarily stored in other storage facilities, or in transit to such facilities (including petroleum under contract but not yet delivered to a loading terminal).

(d) *Price Competitive Sale*. A price competitive sale of SPR petroleum is one in which contract awards are made to those responsive, responsible persons offering the highest prices; sales conducted pursuant to rules adopted under section 161(e) of the Energy Policy and Conservation Act (EPCA), Public Law 94-163 (42 U.S.C. 6201 *et seq.*), are not price competitive sales.

(e) *Purchaser*. A purchaser is any person or entity (including a Government agency) which enters into a contract with DOE to purchase SPR petroleum.

(f) *SPR*. SPR is the Strategic Petroleum Reserve, that program of the Department of Energy established by title I, part B of EPCA.

(g) *Standard Sales Provisions*. The Standard Sales Provisions are a set of terms and conditions of sale, which may contain or describe financial and performance responsibility measures, for petroleum sold from the SPR under this part.

§ 625.3 Standard sales provisions.

(a) *Contents*. The Standards Sales Provisions shall contain contract clauses which may be applicable to price competitive sales of SPR petroleum, including terms and conditions of sale, and purchaser financial and performance responsibility measures, or descriptions thereof. At his discretion, the Secretary or his designee may

specify in a Notice of Sale which of such terms and conditions, or financial and performance responsibility measures, shall apply to a particular sale of SPR petroleum; and, he may specify any revisions in such terms, conditions and measures, and any additional terms, conditions and measures which shall be applicable to that sale, that are consistent with the SPR Drawdown Plan adopted on December 1, 1982.

(b) *Acceptance by offerors.* All offerors must, as part of their offers for SPR petroleum in response to a Notice of Sale, agree without exception to all contractual provisions and financial and performance responsibility measures which the Notice of Sale makes applicable to the particular sale.

(c) *Award of contracts.* No contract for the sale of SPR petroleum may be awarded to any offeror who has not unconditionally agreed to all contractual provisions and financial and performance responsibility measures which the Notice of Sale makes applicable to the particular sale.

(d) *Contract documents.* The terms and conditions which the Notice of Sale makes applicable to a particular sale may be incorporated into a contract for the sale of SPR petroleum by reference to the Notice of Sale.

§ 625.4 Publication of the Standard Sales Provisions.

(a) *Publication.* The Standard Sales Provisions shall be published in the FEDERAL REGISTER and in the Code of Federal Regulations as an appendix to this rule.

(b) *Revisions of the Standard Sales Provisions.* The Standard Sales Provisions shall be reviewed periodically and republished in the FEDERAL REGISTER, with any revisions.

(c) *Notification of applicable clauses.* The Notice of Sale will specify, by referencing the FEDERAL REGISTER and the Code of Federal Regulations in which the latest version of the Standard Sales Provisions was published, which contractual terms and conditions and contractor financial and performance responsibility measures contained or described therein are applicable to that particular sale.

§ 625.5 Failure to perform in accordance with SPR Contracts of Sale.

(a) *Ineligibility.* In addition to any remedies available to the Government under the Contract of Sale, in the event that a purchaser fails to perform in accordance with applicable SPR petroleum sale contractual provisions, and such failure is not excused by those provisions, the Headquarters Senior Procurement Official, at his discretion, may make such purchaser ineligible for future awards of SPR petroleum sales contracts.

(b) *Determination of ineligibility.* No purchaser shall be made ineligible for the award of any SPR sales contract prior to notice and opportunity to respond in accordance with the requirements of this subsection.

(1) Upon the determination that a purchaser is to be considered for ineligibility, the purchaser shall be sent by certified mail return receipt requested, the following:

(i) Notification that the Headquarters Senior Procurement Official is considering making the purchaser ineligible for future awards;

(ii) Identification of the SPR sales contract which the purchaser failed to comply with, along with a brief description of the events and circumstances relating to such failure;

(iii) Advice that the purchaser may submit in writing for consideration by the Headquarters Senior Procurement Official in determining whether or not to impose ineligibility on the purchaser, any information or argument in opposition to the ineligibility; and

(iv) Advice that such information or argument in opposition to the ineligibility must be submitted within a certain time in order to be considered by the Headquarters Senior Procurement Official, such time to be not less than 21 days.

(2) After elapse of the time period established under paragraph (b)(1) of this section for receipt of the purchaser's response, the Headquarters Senior Procurement Official, at his discretion, and after consideration of the purchaser's written response, if any, may make the purchaser ineligible for future awards of SPR petroleum sales contracts. Such ineligibility shall continue for the time period determined

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by the Headquarters Senior Procurement Official, as appropriate under the circumstances.

(3) The purchaser shall be notified of the Headquarters Senior Procurement Official's decision.

(c) *Reconsideration.* Any purchaser who has been excluded from participating in any SPR sale under paragraph (a) may request that the Headquarters Senior Procurement Official reconsider the purchaser's ineligibility. The Headquarters Senior Procurement Official, at his discretion, may reinstate any such purchaser to eligibility for future competitive sales.

APPENDIX A TO PART 625—STANDARD SALES PROVISIONS

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SECTION A - GENERAL PRE-SALE INFORMATION

A.1 List of acronyms:

- (a) *ASO*: Apparently Successful Offeror
- (b) *DLI*: Delivery Line Item
- (c) *DOE*: U.S. Department of Energy
- (d) *MLI*: Master Line Item
- (e) *NA*: Notice of Acceptance
- (f) *NS*: Notice of Sale
- (g) *SSPs*: Standard Sales Provisions
- (h) *SPR*: Strategic Petroleum Reserve
- (i) *SPRCODR*: SPR Crude Oil Delivery Report (Exhibit J)
- (j) *SPR/PMO*: Strategic Petroleum Reserve/Project Management Office

A.2 Definitions

(a) *Affiliate*. The term *affiliate* means associated business concerns or individuals if, directly or indirectly, (1) either one controls or can control the other, or (2) a third party controls or can control both.

(b) *Business Day*. The term *business day* means any day except Saturday, Sunday or a U.S. Government holiday.

(c) *Contract*. The term *contract* means the contract under which DOE sells SPR petroleum. It is composed of the NS, the NA, the successful offer, and the SSPs incorporated by reference.

(d) *Contracting Officer*. The term *Contracting Officer* means the person executing sales contracts on behalf of the Government, and any other Government employee properly designated as Contracting Officer. The term includes the authorized representative of a Contracting Officer acting within the limits of his authority.

(e) *Government*. The term *Government*, unless otherwise indicated in the text, means the United States Government.

(f) *Head of the Contracting Activity*. The term *Head of the Contracting Activity* means the Manager, Oak Ridge Operations Office, DOE.

(g) *Notice of Acceptance (NA)*. The term *Notice of Acceptance* means the document which

is sent by DOE to accept the purchaser's offer to create a contract.

(h) *Notification of Apparently Successful Offeror (ASO)*. The term *notification of apparently successful offeror* means the notice, written or oral, by the Contracting Officer to an offeror that it will be awarded a contract if it is determined to be responsible.

(i) *Notice of Sale (NS)*. The term *Notice of Sale* means the document announcing the sale of SPR petroleum, the amount, characteristics and location of the petroleum being sold, the delivery period and the procedures for submitting offers. The NS will specify what contractual provisions and financial and performance responsibility measures are applicable to that particular sale of petroleum and provide other pertinent information. (See Exhibit B, Sample Notice of Sale)

(j) *Offeror*. The term *offeror* means any person or entity (including a government agency) which submits an offer in response to a NS.

(k) *Petroleum*. The term *petroleum* means crude oil, residual fuel oil, or any refined product (including any natural gas liquid, and any natural gas liquid product) owned or contracted for by DOE and in storage in any permanent SPR facility, temporarily stored in other storage facilities, or in transit to such facilities (including petroleum under contract but not yet delivered to a loading terminal).

(l) *Project Management Office (SPR/PMO)*. The term *Project Management Office* means the DOE personnel and DOE contractors located in Louisiana and Texas responsible for the operation of the SPR.

(m) *Purchaser*. The term *purchaser* means any person or entity (including a government agency) which enters into a contract with DOE to purchase SPR petroleum.

(n) *Standard Sales Provisions (SSPs)*. The term *Standard Sales Provisions* means this set of terms and conditions of sale applicable to price competitive sales of SPR petroleum. These SSPs constitute the "standard sales agreement" referenced in the Strategic Petroleum Reserve "Drawdown" (Distribution) Plan, Amendment No. 4 (December 1, 1982, DOE/EP 0073) to the SPR Plan.

(o) *Strategic Petroleum Reserve (SPR)*. The term *Strategic Petroleum Reserve* means that DOE program established by Title I, part B of the Energy Policy and Conservation Act, 42 U.S.C. 6201, et seq.

(p) *Vessel*. The term *vessel* means a tankship, an integrated tug barge (ITB) system, a self-propelled barge, or other barge.

A.3 Standard Sales Provisions

(a) These SSPs contain pre-sale information, sales solicitation provisions, and sales contract clauses setting forth terms and conditions of sale, including purchaser financial and performance responsibility measures, or

descriptions thereof, which may be applicable to price competitive sales of petroleum from the SPR in accordance with the SPR Sales Rule, 10 CFR part 625. The NS will specify which of these provisions shall apply to a particular sale of such petroleum, and it may specify any revisions therein and any additional provisions which shall be applicable to that sale. (See Exhibit B, Sample Notice of Sale)

(b) *All offerors must*, as part of their offers for SPR petroleum in response to a NS, *agree without exception to all provisions of the SSPs which the NS makes applicable to the particular sale*. Offerors shall indicate their agreement by signing the Sales Offer Form (Exhibit A). The Government will not award a contract to an offeror which has failed to so agree.

A.4 Periodic revisions of the Standard Sales Provisions

DOE will review the SSPs periodically and republish them in the FEDERAL REGISTER, with any revisions. When a NS is issued, it will cite the FEDERAL REGISTER and the Code of Federal Regulations (if any) in which the latest version of the SSPs was published. Offerors are cautioned that the Code of Federal Regulations may not contain the latest version of the SSPs published in the FEDERAL REGISTER. Interested persons may obtain a copy of the current SSPs by writing to the address set forth in Provision No. A.5.

A.5 Potential offerors list for sales of petroleum

(a) The SPR/PMO will maintain a list of those potential offerors which wish to receive a NS whenever such a document is issued. In order to assure that prospective offerors will receive the NS or offer forms in timely fashion, all potential offerors are encouraged to submit the information in (d) as soon as possible. *A NS may be issued with a week or less allowed for the receipt of offers*. While DOE will use its best efforts to timely supply copies of the NS to persons not on the list who request the NS at the time an SPR petroleum sale is announced, this may not always be feasible in light of the short amount of time available before offers must be received.

(b) Any firm or individual may send a written request to be on the list to the following address: U.S. Department of Energy, Strategic Petroleum Reserve, Project Management Office, Procurement and Sales Division, Mail Stop PR-651, 900 Commerce Road East, New Orleans, Louisiana 70123, Telephone Number (504) 734-4226.

The envelope should be marked "SPR Sales Mailing List."

(c) Copies of the SSPs and the NS, when one is issued, may also be obtained from this address.

(d) A request to be placed on the mailing list should be in writing and should include the following information:

Name of firm
Mailing address (Street and P.O. Box) City, State, Zip Code
Name of authorized agent and alternate authorized agent
Telephone numbers for agent and alternate including area code
Agent address, if different from firm represented
TWX number/code
Telecopier brand name and model number
Whether telecopier is automatic or operator controlled
Telephone number for telecopier transmission, including area code
Telephone number for verification of message receipt, including area code
Employer/taxpayer identification number or social security number
Dun's number

As DOE may use express mail which cannot be delivered to a Post Office Box, failure to provide a street address could result in untimely receipt of the NS and will be at the offeror's risk.

A.6 Publicizing the Notice of Sale

(a) The NS will be sent to names on the list of potential offerors referenced in Provision No. A.5. Interested persons may send a representative to the address in Provision No. A.5 to obtain a copy of the NS.

(b) In addition to those on the list of potential offerors, the NS will also be sent to anyone requesting it when a sale is announced. Firms may request the NS by telephone or in writing to the telephone number or address in Provision No. A.5 above.

(c) A DOE press release, which will include the salient features of the NS, will be made available to all news agencies.

(d) At the option of the Contracting Officer, advertisements may be placed in publications likely to reach interested parties. The advertisements will contain the salient features of the NS and a name and telephone number at the SPR/PMO to call for further information.

A.7 Penalty for false statements in offers to buy SPR petroleum

A penalty for making false statements is imposed in the False Statements Act, 18 U.S.C. 1001, which provides:

Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent

statement or entry, shall be fined not more than \$10,000 or imprisoned not more than 5 years, or both.

SECTION B - SALES SOLICITATION PROVISIONS

B.1 Requirements for a valid offer - caution to offerors

A valid offer to purchase SPR petroleum must meet the following conditions:

- (a) The offer guarantee (*see* Provision No. B.10) must be received no later than the time set for the receipt of offers;
- (b) The offer must include a completed Sales Offer Form (Exhibit A) and signed Standard Form 33 (Exhibit C) or other forms as specified in the NS;
- (c) The offer must be received no later than the time set for receipt of offers;
- (d) Any amendments to the NS which explicitly require acknowledgment of receipt must be properly acknowledged as provided for on Exhibit C; and
- (e) The offeror must agree without exception to all provisions of the SSPs which the NS makes applicable to a particular sale, as well as to all provisions in the NS.

B.2 Certification of independent price determination

(a) The offeror certifies that:

(1) The prices in this offer have been arrived at independently, without, for the purposes of restricting competition, any consultation, communication, or agreement with any other offeror or competitor relating to: (i) those prices; (ii) the intention to submit an offer; or (iii) the methods or factors used to calculate the prices offered.

(2) The prices in this offer have not been and will not be knowingly disclosed by the offeror, directly or indirectly, to any other offeror or to any competitor before the time set for receipt of offers, unless otherwise required by law; and

(3) No attempt has been made or will be made by the offeror to induce any other concern to submit or not to submit an offer for the purpose of restricting competition.

(b) Each signature on the offer is considered to be a certification by the signatory that the signatory:

(1) Is the person within the offeror's organization responsible for determining the prices being offered, and that the signatory has not participated, and will not participate, in any action contrary to (a)(1) through (a)(3) above; or

(2) (i) Has been authorized in writing to act as agent for the persons responsible for such decision in certifying that such persons have not participated, and will not participate, in any action contrary to (a)(1) through (a)(3) above; (ii) as their agent does hereby so certify; and (iii) as their agent has not participated, and will not participate, in any action contrary to (a)(1) through (a)(3) above.

(c) An offer will not be considered for award where (a)(1), (a)(3), or (b) above has been deleted or modified. If the offeror deletes or modifies (a)(2) above, the offeror must furnish with the offer a signed statement setting forth in detail the circumstances of the disclosure.

B.3 Requirements for vessels - caution to offerors

(a) The "Jones Act", 46 U.S.C. 883, prohibits the transportation of any merchandise, including SPR petroleum, by water or land and water, on penalty of forfeiture thereof, between points within the United States (including Puerto Rico, but excluding the Virgin islands) in vessels other than vessels built in and documented under laws of the United States, and owned by United States citizens, unless the prohibition has been waived by the Secretary of Treasury. Further, certain U.S.-flag vessels built with Construction Differential Subsidies (CDS) are precluded by section 506 of the Merchant Marine Act of 1936 (46 U.S.C. 1156) from participating in U.S. coastwise trade, unless such prohibition has been waived by the Secretary of Transportation, the waiver being limited to a maximum of 6 months in any given year. CDS vessels may also receive Operating Differential Subsidies, requiring separate permission from the Secretary of Transportation for domestic operation, under section 805(a) of the same statute. The NS will advise offerors of any general waivers allowing use of non-coastwise qualified vessels or vessels built with Construction Differential Subsidies for a particular sale of SPR petroleum. If there is no general waiver, purchasers may request waivers in accordance with Provision No. C.7, but remain obligated to complete performance under this contract regardless of the outcome of that waiver process.

(b) The Department of Transportation's interim rule concerning Reception Facility Requirements for Waste Materials Retained on Board (33 CFR parts 151 and 158) implements the reception facility requirements of the International Convention for the Prevention of Pollution from Ships, 1973, as modified by the 1978 Protocol relating thereto (MARPOL 73/78). This rule prohibits any oceangoing tankship, required to retain oil or oily mixtures on-board while at sea, from entering any port or terminal unless the port or terminal has a valid Certificate of Adequacy as to its oily waste reception facilities. SPR marine terminals (*see* Exhibit E, SPR Delivery Point Data) have Certificates of Adequacy and reception facilities for vessel sludge and oily bilge water wastes, all costs for which will be borne by the vessel. The terminals, however, may not have reception facilities for oily ballast. Accordingly, tankships without segregated ballast systems

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will be required to make arrangements for and be responsible for all costs associated with appropriate disposal of such ballast, or they will be denied permission to load SPR petroleum at terminals which lack reception facilities for oily ballast.

(c) By submission of this offer, the offeror certifies that it will comply with the "Jones Act" and all applicable ballast disposal requirements.

B.4 "Superfund" tax on SPR petroleum - caution to offerors

(a) Sections 4611 and 4612 of the Internal Revenue Code which imposed a tax on domestic and imported petroleum to support the Hazardous Substance Response Fund (the "Superfund") have been revised by the Superfund Amendments and Reauthorization Act of 1986, Public Law No. 99-499, and the Omnibus Budget Reconciliation Act of 1986, Public Law No. 99-509. As amended, these sections impose taxes to finance the Hazardous Substance Superfund and the Oil Spill Liability Trust Fund as of January 1, 1987 and February 1, 1987, respectively.

(b) Section 4611 imposes a tax of 8.2 cents a barrel for domestic crude oil and 11.7 cents a barrel for foreign crude oil to support the "Superfund" on (1) crude oil received at a United States refinery and (2) petroleum products (including crude oil) entered into the United States for consumption, use or warehousing. In addition, section 4611 provides for a possible additional tax of 1.3 cents a barrel for both foreign and domestic oil to support the Oil Spill Liability Trust Fund. Section 4612 provides that no tax is imposed if it is established that a prior tax imposed by section 4611 has already been paid with respect to a barrel of oil.

(c) DOE has already paid the "Superfund" taxes on some of the oil imported and stored in the SPR. However, no "Superfund" tax has been paid on imported oil stored prior to the effective dates of these Acts or domestic oil stored in the SPR, nor has tax been paid into the Oil Spill Liability Trust Fund for any oil. Because domestic and imported crude oil for which no tax has been paid and imported crude oils for which "Superfund" taxes have been paid at different rates have been commingled in the SPR, upon draw-down of the SPR, the NS will advise purchasers of the tax liability.

B.5 Export limitations and licensing - caution to offerors

(a) Offerors for SPR petroleum are put on notice that SPR crude oils subject to different export control laws have been commingled in storage. Export of SPR crude oil is subject to U.S. export control laws, the provisions of which differ depending on the source and destination of the crude oil proposed to be exported. For example, imported

crude oil stored in the SPR may be exported pursuant to applicable Department of Commerce "Short Supply Controls," 15 CFR part 377, if: the export is part of a transaction resulting in the importation of refined products of a quantity and quality not less than would be derived from domestic refining; the products are to be sold at prices no higher than the lowest prices at which they could have been sold by the nearest capable U.S. refinery; and for compelling economic or technological reasons beyond the exporter's control, the crude oil cannot reasonably be processed in the U.S. (15 CFR 377.6(d)(1)(vii)). However, there are somewhat more stringent, independent statutory tests to be met as preconditions to the export of certain other crude oils stored in the SPR, including Alaskan North Slope (ANS) and Naval Petroleum Reserves (NPR) oil. See 7(d) of the Export Administration Act of 1979, 50 U.S.C. App. 2406(d) (ANS oil) and 10 U.S.C. 7430(e) (NPR oil); see also 30 U.S.C. 185(u) (oil shipped across a Mineral Lands Leasing Act Section 28(u) right-of-way) and 43 U.S.C. 1354(a) (OCS oil).

(b) By submission of this offer, the offeror certifies that it will comply with any applicable U.S. export control laws.

B.6 Issuance of the Notice of Sale

In the event petroleum is sold from the SPR, DOE will issue a NS containing all of the pertinent information necessary for the offeror to prepare a priced offer. A NS may be issued with a week or less allowed for the receipt of offers. Offerors are expected to examine the complete NS document, and to become familiar with the SSPs cited therein. Failure to do so will be at the offeror's risk.

B.7 Submission of offers and modification of previously submitted offers

(a) Unless otherwise provided in the NS, offers must be submitted to the SPR/PMO in New Orleans, Louisiana, by mail or hand-delivery. Direct cash deposits as offer guarantees will be sent by wire in accordance with Provision No. C.24.

(b) Unless otherwise provided in the NS, offers may be modified or withdrawn by hand delivery, mail, telegram, or telex, provided that the hand delivery, mail, telegram, or telex is received at the designated office prior to the time specified for receipt of offers.

(c) Envelopes containing offers and any material related to offers shall be plainly marked on the outside; "RE: NS ____ FOR SALE OF PETROLEUM FROM STRATEGIC PETROLEUM RESERVE. OFFERS ARE DUE (insert time of opening), LOCAL NEW ORLEANS, LA TIME ON (insert date of opening). MAIL ROOM MUST MARK DATE AND TIME OF RECEIPT ON FACE OF THE ENVELOPE." Envelopes containing modified

offers or any material related to supplements or modifications of offers, shall be plainly marked on the outside: "RE: NS FOR SALE OF PETROLEUM FROM STRATEGIC PETROLEUM RESERVE. OFFER MODIFICATION. MAIL ROOM MUST MARK DATE AND TIME OF RECEIPT ON FACE OF THE ENVELOPE."

(d) The envelope shall be marked with the full name and return address of the offeror.

(e) Offers being sent by mail and modifications being sent by hand delivery, mail, telegram, or telex must be received at the address specified in the NS.

(f) Handcarried offers brought during normal business hours on the day set for receipt of offers, or any day prior to that day, shall be taken by the offeror to the place specified in the NS. This includes mail being delivered by a delivery service. At all other times, handcarried offers shall be placed in the bid box, located as specified in the NS.

(g) Public opening of offers is not anticipated unless otherwise indicated in the NS. An abstract of offers will be prepared and posted in a prominent place at the SPR/PMO in New Orleans, Louisiana, for public viewing no later than 48 hours after the specified time and date for the receipt of offers. Persons wishing to see copies of the offers may contact the Contracting Officer to arrange to view the copies at the SPR/PMO.

B.8 Acknowledgment of amendments to a Notice of Sale

When an amendment to a NS requires acknowledgment of receipt, receipt by an offeror must be acknowledged (a) by signing and returning the amendment; (b) by identifying the amendment number and date in the space provided for this purpose on Standard Form 33 (Exhibit C); or (c) by letter, telegram, or telex sent to the address specified in the NS. Such acknowledgment must be received prior to the time specified for receipt of offers.

B.9 Late offers, modifications of offers, and withdrawal of offers

(a) Any offer received at the office designated in the NS after the time specified for receipt will be considered only if it is received before award is made and only under the following conditions:

(1) It was sent by registered or certified mail not later than the fifth calendar day prior to the date specified for the receipt of offers (e.g., an offer submitted in response to a NS requiring receipt of offers by the 20th of the month must have been mailed by the 15th or earlier); or,

(2) It was sent by mail, telegram or telex if authorized, and it is determined by the Contracting Officer that the late receipt was due solely to mishandling by the SPR/PMO after receipt at the address specified in the NS.

(b) Any modification or withdrawal of an offer is subject to the same conditions as in (a) above, except that it shall be mailed not less than the third calendar day prior to the date specified for receipt of offers. An offer may also be withdrawn in person by an offeror or its authorized representative, provided the representative's identity is made known and the representative signs a receipt for the offer, but only if the withdrawal is made prior to the time set for receipt of offers.

(c) The only acceptable evidence to establish:

(1) The date of mailing of a late offer, modification, or withdrawal sent either by registered or certified mail is the U.S. Postal Service postmark on either (i) the envelope or wrapper, or (ii) the original receipt from the U.S. Postal Service. If neither postmark shows a legible date, the offer, modification or withdrawal shall be deemed to have been mailed late. Post mark means a printed, stamped, or otherwise placed impression, exclusive of a postage meter machine impression, that is readily identifiable without further action as having been supplied and affixed on the date of mailing by employees of the U.S. Postal Service. Therefore, offerors should request the postal clerk to place a hand cancellation "bull's-eye" postmark on both the receipt and the envelope or wrapper.

(2) The time of receipt at the address specified in the NS is the time/date stamp at such address on the offer's wrapper or other documentary evidence of receipt maintained at the place of receipt.

(d) Notwithstanding (a) and (b) of this provision, a late modification of an otherwise successful offer which makes its terms more favorable to the Government will be considered at any time it is received, and may be accepted.

B.10 Offer guarantee

(a) Each offeror must submit an acceptable offer guarantee for each offer submitted. Each offer guarantee must be received at the place specified for receipt of offers no later than the time and date set for receipt of offers.

(b) An offeror's failure to submit a timely, acceptable guarantee will result in rejection of its offer.

(c) The amount of each offer guarantee is \$10 million dollars or 5 percent of the maximum potential contract amount, whichever is less. The maximum potential contract amount is the sum of the products determined by multiplying the offer's maximum purchase quantity for each master line item, times the highest offer prices that the offeror would have to pay for that master line item if the offer were to be successful. To assist in this calculation, instructions and a worksheet are available at Exhibit K. Submission of the worksheet is not desired.

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(d) Each offeror must submit one of the following types of offer guarantees with each offer:

(1) A certified or cashier's check payable to the U.S. Department of Energy, drawn on a U.S. Bank;

(2) A wire cash deposit to the account of the U.S. Treasury in accordance with Provision No. C.24, all wire deposit costs to be borne by the offeror; or

(3) A letter of credit from a U.S. depository institution conforming without exception to the contents required by Exhibit G, Offer Guarantee - Letter of Credit, all letter of credit costs to be borne by the offeror.

(e) If the offeror or bank forwards the offer guarantee separately from the offer, the envelope shall clearly say "OFFER GUARANTEE OF (Name of Company)" and shall be clearly marked in accordance with Provision No. B.7(c).

(f) The offeror shall be liable for any amount lost by DOE due to the difference between the offer and the resale price, and for any additional resale costs incurred by DOE in the event that the offeror:

(1) Withdraws its offer within 10 days following the time set for receipt of offers;

(2) Withdraws its offer after having agreed to extend its acceptance period; or

(3) Having received a notification of ASO, fails to furnish an acceptable payment and performance guarantee within the time limit specified by the Contracting Officer.

The offer guarantee shall be used toward offsetting such price difference or additional resale costs. Use of the offer guarantee for such recovery shall not preclude recovery by DOE of damages in excess of the amount of the offer guarantee caused by such failure of the offeror.

(g) Letters of credit furnished as offer guarantees must be valid for at least 21 calendar days after the date set for the receipt of offers.

(h) Offer guarantees (except letters of credit) will be returned to an unsuccessful offeror 5 business days after expiration of the offeror's acceptance period or 3 business days after award of contracts for delivery line items on which the offeror submitted a price, whichever is first, except as provided in (i) below, and to a successful offeror upon receipt of a satisfactory performance and payment guarantee. Letters of credit will be returned only upon request. Where the offer guarantee was a wire cash deposit, a cashier's check or a certified check, the offeror may apply it toward advance payment.

(i) If an offeror defaults on its offer, DOE will hold the offer guarantee so that damages can be assessed against it.

B.11 Explanation requests from offerors

Offerors may request explanations regarding meaning or interpretation of the NS from the individual and telephone number

indicated in the NS. On complex and/or significant questions, DOE reserves the right to have the offeror put the question in writing; explanation or instructions regarding these questions will be given as an amendment to the NS.

B.12 Currency for offers

Prices shall be stated and invoices shall be paid in U.S. dollars.

B.13 Language of offers and contracts

All offers in response to the NS and all modifications of offers shall be in English. All correspondence between offerors or purchasers and DOE shall be in English.

B.14 Proprietary data

If any information submitted in connection with a sale is considered proprietary, that information should be so marked, and an explanation provided as to the reason such data should be considered proprietary. Any final decision as to whether the material so marked is proprietary will be made by DOE. DOE's Freedom of Information Act regulations governing the release of proprietary data shall apply.

B.15 SPR crude oil streams and delivery points

(a) The geographical locations of the terminals and docks interconnected with permanent SPR storage locations, the SPR crude oil streams available at each location and the delivery points for those streams are as follows, (see also Exhibit D, SPR Crude Oil Stream Characteristics, and Exhibit E, SPR Delivery Point Data):

Geographical location	Delivery points	Crude oil Streams
Freeport, Texas	Phillips Terminal, or Phillips Terminal No. 2 Docks.	SPR Bryan Mound Sweet. SPR Bryan Mound Sour. SPR Bryan Mound Maya.
Texas City, Texas	ARCO Terminal, or ARCO Docks.	SPR Bryan Mound Sweet. SPR Bryan Mound Sour.
Nederland, Texas	Sun Terminal, or Sun Docks.	SPR West Hackberry Sweet. SPR West Hackberry Sour.
St. James, Louisiana.	LOCAP Terminal, or DOE St. James Terminal Docks.	SPR Weeks Island Sour SPR Bayou Choctaw Sweet. SPR Bayou Choctaw Sour.

(b) The NS may change delivery points and it may also include additional terminals, temporary storage facilities or systems utilized in connection with petroleum in transit

to the SPR. Alternatively, DOE or its contractor may provide the transportation to the purchaser's facility, for example, when the petroleum is in transit to the SPR at time of sale.

(c) The NS may contain additional information supplementing Exhibit E, SPR Delivery Point Data.

B.16 Notice of Sale line item schedule - petroleum quantity, quality, and delivery method

(a) Unless the NS provides otherwise, the possible master line items (MLI) and delivery line items (DLI) which may be offered are as provided in Exhibit A, SPR Sales Offer Form. Currently, there are eight MLIs in Exhibit A, one for each of the eight crude oil streams that the SPR has in storage. The NS may offer fewer than the eight possible MLIs.

(b) Each MLI contains several DLIs, each of which specifies an available delivery method and the nominal delivery period. Offerors are cautioned that the NS may alter the period of time covered by each DLI. This is most likely to occur in the first sales period of a drawdown if the period of sale does not correspond to a calendar month.

(1) DLI-A covers petroleum to be transported by pipeline, either common carrier or local. The nominal delivery period is one month.

(2) DLI-B, DLI-C and DLI-D cover petroleum to be transported by tankships: DLI-B, covering tankships to be loaded from the 1st through the 10th of the month; DLI-C, tankships to be loaded from the 11th through the 20th; and DLI-D, tankships to be loaded from the 21st through the last day of the month.

(3) DLI-E, DLI-F and DLI-G cover petroleum to be transported by barges (Caution: These DLIs are currently only applicable to deliveries of West Hackberry Sweet and Sour crude oil streams from Sun Docks); DLI-E, covering barges to be loaded from the 1st through the 10th of the month; DLI-F, barges to be loaded from the 11th through the 20th; and DLI-G, barges to be loaded from the 21st through the last day of the month.

(4) Where the storage site is connected to more than one terminal or pipeline (presently this only occurs at Bryan Mound) additional DLIs will be offered. The additional DLIs will include DLI-H, covering petroleum to be transported by pipeline over the period of a month; DLI-I, covering tankships to be loaded from the 1st through the 10th; DLI-J, tankships to be loaded from the 11th through the 20th; and DLI-K, tankships to be loaded from the 21st through the last day of the month. The Notice of Sale will specify which DLIs are offered on each MLI.

(c) The NS will state the total estimated number of barrels to be sold on each MLI. An offeror may offer to buy all or part of the petroleum offered on an MLI. In making awards, the Contracting Officer shall at-

tempt to achieve award of the exact quantities offered by the NS, but may vary the estimated MLI quantities by ± 10 percent in order to match the DLI offers received. In addition, the Contracting Officer may reduce the MLI quantity available for award by any amount and reject otherwise acceptable offers, if he determines, in his sole discretion after consideration of the offers received on all of the MLIs, that award of those quantities is not in the best interest of the Government because the prices offered for them are not reasonable.

(d) The NS will specify a minimum contract quantity for each DLI. To be responsive, an offer on a DLI must be for at least that quantity.

(e) The NS will specify the maximum quantity which could be sold on each of the DLIs. The maximum quantity is not an indication of the amount of petroleum that, in fact, will be sold on that DLI. Rather, it represents DOE's best estimate of the maximum amount of the particular SPR crude oil stream that can be moved by that transportation system over the delivery period. The total DOE estimated DLI maximums may exceed the total number of barrels to be sold on that MLI, as the NS DLI estimates represent estimated transportation capacity, not the amount of petroleum offered for sale. Where necessary to avoid an unfair competitive advantage for local pipeline owners, e.g., where there are only one or two likely offerors, the NS may omit a pipeline DLI. Where this occurs, those offerors may bid against vessel DLIs and, if successful, request a contract modification under Provision No. C.6, to permit delivery of the awarded oil to a pipeline.

(f) The NS will not specify what portion of the petroleum which DOE offers on a MLI will, in fact, be sold on any given DLI. Rather, the highest priced offers received on the MLI will determine the DLIs against which the offered petroleum is sold.

(g) DOE will not sell petroleum on a DLI in excess of the DLI maximum; however, DOE reserves the right to revise its estimates at any time and to award or modify contracts in accordance with its revised estimates. Offerors are cautioned that: DOE cannot guarantee that such transportation capacity is available; offerors should undertake their own analyses of available transportation capacity; and each purchaser is wholly responsible for arranging all transportation other than terminal arrangements at the terminals listed in Provision No. B.15, which shall be made in accordance with Provision No. C.5. A purchaser against one DLI cannot change a transportation mode without prior written permission from DOE, although such permission will be given whenever possible, in accordance with Provision No. C.6.

(h) Exhibit D, SPR Crude Oil Stream Characteristics, contains nominal characteristics

for each SPR crude oil stream. Prospective offerors are cautioned that these data will likely change as more crude oil is stored in the SPR. The NS will provide, to the maximum extent practicable, the latest data on each stream offered.

B.17 Line item information to be provided in the offer

(a) Each offeror, if determined to be an ASO on a DLI, agrees to enter into a contract for the purchase of the quantity of petroleum in the offer and to take delivery of that petroleum (plus or minus 10 percent as provided for in Provision No. C.18) in accordance with the terms of that contract.

(b) An offer may be for more than one MLI. However, offerors are cautioned that alternate offers on different MLIs are not permitted. For example, an offeror may offer to purchase 1,000,000 barrels of SPR West Hackberry Sweet and 1,000,000 barrels of SPR West Hackberry Sour, but may not offer to purchase, in the alternative, either 1,000,000 barrels of sweet or 1,000,000 barrels of sour.

(c) An offeror may submit more than one offer. However, separate forms must be prepared and each offer will be evaluated on an individual basis.

(d) The following information will be provided to DOE by the offeror on the form in Exhibit A or other forms as required by the NS:

(1) MLI quantity. ("MAXQ" on the Exhibit A offer form) The offeror shall state the maximum quantity of each crude oil stream that the offeror is willing to buy.

(2) DLI quantity. ("DESQ") The offer shall state the number of barrels which the offeror will accept on each DLI, i.e., by the delivery mode and during the delivery period specified. The quantity stated on a single DLI shall not exceed the MAXQ for the MLI. The offeror shall designate a quantity on at least one DLI for the MLI, but may designate quantities on more than one DLI. If the offeror is willing to accept alternate DLIs, the total of its designated DLI quantities would exceed its maximum MLI quantity; otherwise, the total of its designated DLI quantities should equal its maximum MLI quantity.

(3) DLI unit price ("UP\$\$") and total price. The offer shall state the price per barrel for each DLI for which the offeror has designated a desired quantity, as well as the total price (quantity times unit price). Where offers have indicated quantities on more than one DLI with a different price on each, DOE will award the highest priced DLI first. If the offeror has the same price for two or more DLIs, it may indicate its first choice, second choice, etc., for award of those items; if the offeror does not indicate a preference, or indicates the same preference for more than one DLI, DOE may select the DLIs to be awarded at its discretion.

Prices may be stated in hundredths of a cent (\$0.0001). DOE shall drop from the offer and not consider any numbers of less than one one-hundredth of a cent.

(4) Minimum DLI quantity acceptable. ("MINQ") The offeror must choose whether to accept only the stated DLI quantity (DESQ) or, in the alternative, to accept any quantity awarded between the offer's stated DLI quantity and the minimum contract quantity for the DLI (indicated by the "N" and "Y" blocks respectively under "MINQ" on the offer form). However, DOE will award less than the DESQ only if the quantity available to be awarded is less than the DESQ. If the offer fails to indicate the offeror's choice, the offer will be evaluated as though the offeror has indicated willingness to accept the minimum contract quantity.

(5) Any other data required by the NS.

B.18 Mistake in offer

(a) After opening and recording offers, the Contracting Officer shall examine all offers for mistakes. If the Contracting Officer discovers any price discrepancies or quantity discrepancies, he may obtain from the offeror oral or written verification of the offer actually intended, but in any event, he shall proceed with offer evaluation applying the following procedures:

(1) Price discrepancy: An offer for a DLI should contain the unit price per barrel being offered, the desired quantity of barrels to which the unit price applies, and an extension price which is the total of the quantity desired multiplied by the unit price offered. If there is a discrepancy between the unit price and the extension price, the unit price will govern and be recorded as the offer, unless it is clearly apparent on the face of the offer that there has been a clerical error, in which case the Contracting Officer may correct the offer.

(2) Quantity discrepancy: In case of conflict between the maximum MLI quantity and the stated DLI quantities (for example, where a single stated DLI quantity exceeds the corresponding maximum MLI quantity), the lesser quantity will govern in the evaluation of the offer. In the event that the offer fails to specify a maximum MLI quantity, the offer will be evaluated as though the largest stated DLI quantity was the offer's maximum MLI quantity.

(b) In cases where the Contracting Officer has reason to believe a mistake not covered by the procedures set forth in (a) may have been made, he shall request from the offeror a verification of the offer, calling attention to the suspected mistake. The Contracting Officer may telephone the offeror and confirm the request by telex. The Contracting Officer may set a limit of as little as 6 hours for telephone response, with any required written documentation to be received within

as little as 2 business days. If no response is received, the Contracting Officer may determine that no error exists and proceed with offer evaluation.

(c) The Head of the Contracting Activity will make administrative determinations described in (1) and (2) below if an offeror alleges a mistake after opening of offers and before award.

(1) The Head of the Contracting Activity may refuse to permit the offeror to withdraw an offer, but permit correction of the offer if clear and convincing evidence establishes both the existence of a mistake and the offer actually intended. However, if such correction would result in displacing one or more higher acceptable offers, the Head of the Contracting Activity shall not so determine unless the existence of the mistake and the offer actually intended are ascertainable substantially from the NS and offer itself.

(2) The Head of the Contracting Activity may determine that an offeror shall be permitted to withdraw an offer in whole, or in part if only part of the offer is affected, without penalty under the offer guarantee, where the offeror requests permission to do so and clear and convincing evidence establishes the existence of a mistake, but not the offer actually intended.

(d) In all cases where the offeror is allowed to make verbal corrections to the original offer, confirmation of these corrections must be received in writing within the time set by the Contracting Officer or the original offer will stand as submitted.

B.19 Evaluation of offers

(a) The Contracting Officer will be the determining official as to whether an offer is responsive to the SSPs and the NS. DOE reserves the right to reject any or all offers and to waive minor informalities or irregularities in offers received.

(b) A minor informality or irregularity in an offer is an inconsequential defect the waiver or correction of which would not be prejudicial to other offerors. Such a defect or variation from the strict requirements of the NS is inconsequential when its significance as to price, quantity, quality or delivery is negligible.

B.20 Procedures for evaluation of offers

(a) Award on each DLI will be made to the highest responsible offerors which submit offers responsive to the SSPs and the NS and which have provided the required payment and performance guarantee as required by Provision No. C.19.

(b) DOE will array all price offers on an MLI from highest to lowest for award evaluation regardless of DLI. However, DOE will award against the DLIs and will not award a greater quantity on a DLI than DOE's estimate (which is subject to change at any

time) of the maximum quantity that can be moved by the delivery method. Selection of the apparently successful offer involves the following steps:

(1) Any offers below the minimum acceptable price, if any minimum price has been established for the sale, will be rejected as nonresponsive.

(2) All offers on each MLI will be arrayed from highest price to lowest price.

(3) The highest offers will be reviewed for responsiveness to the NS.

(4) In the event the highest offer does not take all the crude oil available on the MLI, sequentially, the next highest offer will be selected until all of the petroleum offered on the MLI is awarded or there are no more acceptable offers. In the event that acceptance of an offer against an MLI or a DLI would result in the sale of more petroleum on an MLI than DOE has offered or the sale of more petroleum on a DLI than DOE estimates can be delivered by the specified delivery method, DOE will not award the full amount of the offer, but rather the remaining MLI quantity or DLI capacity, provided such portion exceeds DOE's minimum contract quantity. In the event that the quantity remaining is less than the offeror is willing to accept, but more than DOE's minimum contract quantity, the Contracting Officer shall proceed to the next highest offer.

(5) In the event of tied offers and an insufficient quantity available on the MLI or insufficient capacity on the DLI to fully award all tied offers, the available MLI quantity or DLI capacity remaining will be allotted pro rata among the tied offers using the following formula:

$$\frac{\text{The quantity the offeror is willing to purchase at the tied price}}{\text{The sum of all the quantities the tied offerors are willing to purchase at the tied price}} \times \text{the quantity or capacity remaining to be allotted}$$

If after application of this formula, the pro rata share of any offeror is less than 90 percent of the quantity which the offeror is willing to accept (as indicated in the offer), the Contracting Officer in his sole discretion may do one or more of the following: (i) make additional quantity or capacity available and increase the offeror's share to its minimum acceptable quantity; (ii) contact the offeror to determine whether alternative delivery arrangements can be made, permitting the offeror to accept his prorata share; (iii) eliminate the offeror and recalculate the shares of all remaining offerors; or (iv) not award that offeror's prorata share. If any quantities remain after this process, the

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Contracting Officer may elect not to award those quantities, or to award those quantities in accordance with Provision No. B.22.

(6) The Contracting Officer may reduce the MLI quantity available for award by any amount and reject otherwise acceptable offers, if in his sole discretion he determines, after consideration of the offers received on all of the MLIs, that award of those quantities is not in the best interest of the Government because the prices offered for them are not reasonable.

(7) Determinations of ASO responsibility will be made by the Contracting Officer before each award. All ASOs will be notified by telephone and advised to provide to the Contracting Officer, within five business days or such other longer time as the Contracting Officer shall determine, a letter of credit (*see* Exhibit H, Payment and Performance Guarantee - Letter of Credit) or advance payment as specified in Provision No. C.19. Compliance with required payment and performance guarantees will effectively assure a finding of responsibility of offerors, except where: (i) an offeror is on either DOE's or the Federal Government's list of debarred, ineligible and suspended bidders; or (ii) evidence, with respect to an offeror, comes to the attention of the Contracting Officer of conduct or activity which represents a violation of law or regulation (including an Executive Order having the force and effect of law); or (iii) evidence is brought to the attention of the Contracting Officer of past activity or conduct of an offeror which shows a lack of integrity (including actions inimical to the welfare of the United States) or willingness to perform, so as to substantially diminish the Contracting Officer's confidence in the offeror's performance under the proposed contract.

B.21 Financial statements and other information

(a) As indicated in Provision No. B.20(b)(7) above, compliance with the required payment and performance guarantee will in most instances effectively assure a finding of responsibility. Therefore, DOE does not intend to ask for financial information from all offerors. However, after receipt of offers, but prior to making award, DOE reserves the right to ask for the audited financial statements for an offeror's most recent fiscal year and unaudited financial statements for any subsequent quarters. These financial statements must include a balance sheet and profit and loss statement for each period covered thereby. A certification by a principal accounting officer that there have been no material changes in financial condition since the date of the audited statements, and that these present the true financial condition as of the date of the offer, shall accompany the statements. If there has been a change, the

amount and nature of the change must be specified and explained in the unaudited statements and a principal accounting officer shall certify that they are accurate. The Contracting Officer shall set a deadline for receipt of this information.

(b) DOE also reserves the right to require information from the offeror regarding its plans for use of the petroleum, the status of requests for export licenses, plans for complying with the Jones Act, etc. The Contracting Officer shall set a deadline for receipt of this information.

B.22 Resolicitation procedures on unsold petroleum

(a) In the event that petroleum offered on an MLI remains unsold after evaluation of all offers, the Contracting Officer, at his option, may issue an amendment to the NS, resoliciting offers from all interested parties. DOE reserves the right to alter the MLIs and/or offer different MLIs in the resolicitation.

(b) In the event that for any reason petroleum which has been awarded or allotted for award becomes available to DOE for resale, the Contracting Officer may use the following procedures:

(1) If priced offers remain valid in accordance with Provision No. B.23, the petroleum will go to the next highest ranked offer.

(2) If offers have expired in accordance with Provision No. B.23, the Contracting Officer at his option may offer the petroleum to the highest offeror for that MLI. The pertinent offeror may, at its option, accept or reject that petroleum at the price originally offered. If that offeror rejects the petroleum, it may be offered to the next highest offeror, etc.

(3) If the petroleum is not then resold, the Contracting Officer may at his option proceed to amend the NS to resolicit offers for that petroleum or add the petroleum to the next sales cycle.

B.23 Offeror's certification of acceptance period

(a) By submission of an offer, the offeror certifies that its priced offer will remain valid for 10 calendar days after the date set for the receipt of offers, and further that the successful line items of its offer will remain valid for an additional 30 calendar days should it receive a notification of ASO either by telephone or in writing during the initial 10-day period.

(b) By mutual agreement of DOE and the offeror, an individual offeror's acceptance period may be extended for a longer period.

B.24 Notification of Apparently Successful Offeror

The following information will be provided to the offeror by DOE in the notification of ASO:

- (a) Identification of SPR crude oil streams to be awarded;
- (b) Total quantity to be awarded on each MLI and on each DLI;
- (c) Price in U.S. dollars per barrel for each DLI;
- (d) Extended total price offer for each DLI;
- (e) Provisional contract number;
- (f) Any other data necessary.

B.25 Contract documents

If an offeror is successful, DOE will make award using a NA signed by the Contracting Officer. The NA will identify the items, quantities, prices and delivery method which DOE is accepting. Attached to the NA will be the NS and the successful offer. Provisions of the SSPs will be made applicable through incorporation by reference in the NS. The Contracting Officer also shall provide the purchaser with an information copy of the then-current SSPs as published in the FEDERAL REGISTER. If time constraints require it, DOE may accept the offeror's offer by an electronic notice, such as telegram or telex, and the contract award shall be effective upon issuance of such notice. The electronic notice will be followed by a mailing of full documentation as described above.

B.26 Purchaser's representative

As part of its offer, each offeror shall designate an agent as a point of contact for any telephone calls or correspondence from the Contracting Officer. Any such agent shall have a U.S. address and telephone number and must be conversant in English.

B.27 Procedures for selling to other U.S. Government agencies

(a) If a U.S. Government agency submits an offer for petroleum in a price competitive sale, that offer will be arrayed for award consideration in accordance with Provision No. B.20. If a U.S. Government agency is an ASO, award and payment will be made exclusively in accordance with statutory and regulatory requirements governing transactions between agencies, and the U.S. Government agency will be responsible for complying with these requirements within the time limits set by the Contracting Officer.

(b) U.S. Government agencies are exempt from all guarantee requirements, but must complete all transportation arrangements for moving the petroleum. Failure by a U.S. Government agency to comply with any of the requirements of these SSPs shall not provide a basis for challenging a contract award to that agency.

SECTION C - SALES CONTRACT PROVISIONS

C.1 Delivery of SPR petroleum

(a) The purchaser, at its expense, shall make all necessary arrangements to accept

delivery of and transport the SPR petroleum, except for terminal arrangements which shall be coordinated with the SPR/PMO. The DOE will deliver and the purchaser will accept the petroleum at delivery points listed in the NS. The purchaser also shall be responsible for meeting any delivery requirements imposed at those points including complying with the rules, regulations, and procedures contained in applicable port/terminal manuals, pipeline tariffs or other applicable documents.

(b) For petroleum in the SPR's permanent storage sites, DOE shall provide, at no cost to the purchaser, transportation by pipeline from the SPR to the supporting SPR distribution terminal facility specified for the MLI and, for vessel loadings, a safe berth and loading facilities sufficient to deliver petroleum to the vessel's permanent hose connection. The purchaser agrees to assume responsibility for, to pay for, and to indemnify and hold DOE harmless for any other costs associated with terminal, port, vessel and pipeline services necessary to receive and transport the petroleum, including but not limited to demurrage charges assessed by the terminal, ballast and oily waste reception services other than those provided by DOE or its agent, mooring and line-handling services, tank storage charges and port charges incurred in the delivery of SPR petroleum to the purchaser. The purchaser also agrees to assume responsibility for, to pay for and to indemnify and hold DOE harmless for any liability, including consequential or other damages, incurred or occasioned by the purchaser, its agent, subcontractor at any tier, assignee or any subsequent purchaser, in connection with movement of petroleum sold under a contract incorporating this provision.

C.2 Compliance with the "Jones Act" and the U.S. export control laws

Failure to comply with the "Jones Act," 46 U.S.C. 883, regarding use of U.S.-flag vessels in the transportation of oil between points within the United States, and with any applicable U.S. export control laws affecting the export of SPR petroleum will be considered to be a failure to comply with the terms of any contract containing these SSPs and may result in termination for default in accordance with Provision No. C.27. Purchasers who have failed to comply with the "Jones Act" or the export control laws in SPR sales may be found to be non-responsible in the evaluation of offers under Provision No. B.20 of the SSPs. Those purchasers may also be subject to proceedings to make them ineligible for future awards in accordance with 10 CFR part 625.

C.3 Storage of SPR petroleum

Continued storage of purchasers' oil in the SPR facilities after the end of the contract delivery periods is not permitted, unless specifically authorized by the Secretary of Energy and provided for in the NS. Allowing petroleum to remain in storage as the result of failure to complete delivery arrangements may result in assessment of liquidated damages under Provision Nos. C.27 through C.29 unless such failure is excused by those provisions.

C.4 Environmental compliance

(a) Vessels to be used for the transportation of petroleum purchased from the SPR will comply with all applicable rules and regulations, including The Ports and Waterways Safety Act, The Federal Water Pollution Control Act of 1972, The Oil Pollution Control Act of 1961, and other applicable statutes, rules and regulations, including the following: parts 151, 153, 157, 158 and 159 of title 33, and parts 30-36 and 542 of title 46 of the Code of Federal Regulations.

(b) In the event tankships are used in the performance of this contract, the purchaser will employ only tankships whose owners are parties to the Tanker Owners Voluntary Agreement Concerning Liability for Oil Pollution (TOVALOP) or who carry equivalent, as determined by the Contracting Officer, liability coverage.

(c) All crude oil transfer operations in performance of the contract will be in accordance with the guidelines detailed in the International Oil Tanker Safety Guide, U.S. Coast Guard Regulations, and the "Ship to Ship Transfer Guide" of the International Chamber of Shipping Oil Companies International Marine Forum.

(d) Failure of the purchaser or the purchaser's subcontractors to comply with all applicable rules and regulations in the transportation of SPR petroleum will be considered a failure to comply with the terms of any contract containing these SSPs, and may result in termination for default, unless, in accordance with Provision No. C.27, such failure was beyond the control and without the fault or negligence of the purchaser, its affiliates, or subcontractors.

C.5 Delivery and transportation scheduling

(a) Unless otherwise instructed in the notification of ASO, each purchaser shall submit a proposed vessel lifting program and/or pipeline delivery schedule to the SPR/PMO by hand-delivery, mail, telex, or facsimile, no later than the fifteenth day prior to the earliest delivery date offered by the NS. The vessel lifting program shall specify the requested three-day loading window for each tanker and the quantity to be lifted. The pipeline schedule will specify the dates on which deliveries are to be tendered to the

pipeline and the quantity to be tendered on each date. In the event conflicting requests are received, preference will be given to such requests in descending order, highest priced offer first. The SPR/PMO will respond to each purchaser no later than the tenth day prior to the start of deliveries, either confirming the schedule as originally submitted or proposing alterations. The purchaser is deemed to have received a mailed notice on the second day after its dispatch and a telex or express mail notice on the day after dispatch. The purchaser shall be deemed to have agreed to those alterations unless the purchaser requests the SPR/PMO to reconsider within two days after receipt of such alterations. The SPR/PMO will use its best efforts to accommodate such requests, but its decision following any such reconsideration shall be final and binding.

(b) Telex and facsimile telephone numbers, as well as the address to which mailed and hand-carried proposed schedules should be delivered, will be provided in the notification of ASO.

(c) Notwithstanding paragraph (a) above, ASOs and purchasers may request delivery commencing prior to the contractual delivery period. DOE will honor such requests, unless unacceptable costs might be incurred or SPR schedules might be adversely affected. Requests accepted by DOE will be handled on a first-come, first-served basis, except that where conflicting requests are received on the same day, the highest-priced offer will be given preference. Requests that include both a change in delivery method and an early delivery date may also be accommodated subject to Provision No. C.6. DOE may not be able to confirm requests for early deliveries until 24 hours prior to the load date.

C.6 Contract modification - alternate delivery line items

A purchaser may request a change in delivery method after the issuance of the NA. Such requests may be made either orally (to be confirmed in writing within 24 hours) or in writing, but will require written modification of the contract by the Contracting Officer. Such modification will be permitted by DOE if in the sole judgment of DOE the change would not interfere with the delivery plans of other purchasers, and further provided that the purchaser agrees to pay all increased costs incurred by DOE because of such modification. The NS shall establish per barrel rates for such increased costs.

C.7 Application procedures for "Jones Act" waivers

(a) Unless otherwise specified, an ASO or purchaser seeking a waiver of the "Jones Act" should submit a request by letter, telegram or telex to: U.S. Customs Service,

Chief, Carrier Rulings Branch, 1301 Constitution Avenue, NW., Washington, DC 20229, Telephone No. (202) 566-5706, Telex (710) 822-9525.

Copies of the request should also be sent to:

(1) Assistant Secretary of Defense (Acquisition and Logistics), Department of Defense, Washington, DC 20301-8000;

(2) Associate Administrator for Marketing and Domestic Enterprise, Maritime Administration, Department of Transportation, Mail Stop MAR-800, Washington, DC 20590, Telex (710) 822-9426;

(3) Department of Energy, ATTN: Deputy Assistant Secretary for Petroleum Reserves/Deputy Assistant Secretary for Energy Emergencies, Mail Stop FE-40, Washington, DC 20585, Telex, (710) 822-0176.

(b) A purchaser seeking a waiver to use a vessel built with a Construction Differential Subsidy (and, if applicable, operated with Operating Differential Subsidy) should have the owner of that vessel submit a request by letter, telegram, or telex for such waiver(s) to: Maritime Administrator, Maritime Administration, U.S. Department of Transportation, Washington, DC 20590, Telex (710) 822-9426. Copies of the request shall be sent to:

(1) U.S. Department of Energy, ATTN: Deputy Assistant Secretary for Petroleum Reserves/Deputy Assistant Secretary for Energy Emergencies, Mail Stop FE-40, Washington, DC 20585, Telex (710) 822-0176.

(2) Chief, Carriers Rulings Branch, U.S. Customs Service, Department of the Treasury, Washington, DC 20229, Telex (710) 822-9525.

For speed and brevity, the request may incorporate by reference appropriate contents of any earlier "Jones Act" waiver request by the purchaser. Under Section 805(a), a hearing is also required for any intervenor, and a waiver may not be approved if it will result in unfair competition to any person, firm, or corporation operating exclusively in the coastwise or intercoastal service.

(c) Any request for waiver should include the following information:

(1) Name, address and telephone number of requestor;

(2) Purpose for which waiver is sought, e.g., to take delivery of so many barrels of SPR crude oil, with reference to the SPR NS number and the provisional or assigned contract number;

(3) Name and flag of registry of vessel for which waiver is sought, if known at the time of waiver request, and either the scheduled 3-day delivery window(s), if available, or 10-day delivery period applicable to the contract;

(4) The intended number of voyages, including the ports for loading and discharging;

(5) Estimated period of time for which vessel will be employed; and

(6) Reason for not using qualified U.S.-flag vessel, including documentary evidence of good faith effort to obtain suitable U.S.-flag vessel and responses received from that effort. Such evidence would include copies of correspondence, telexes, telegrams, and telephone conversation summaries. Use of commercial brokers and the Transportation News Ticker (TNT) is suggested for maximum market coverage. Requests for waivers by telegram or telex may reference such documentary evidence, with copies to be provided by mail, postmarked no more than one business day after transmittal of the telegram or telex requesting the waiver.

(7) For waivers to use Construction Differential Subsidy vessels, the request must also contain a specific agreement for Construction Differential Subsidies payback pursuant to section 506 of the Merchant Marine Act of 1936 and must be signed by an official of the vessel owner authorized to make a payback commitment.

(d) If there are shown to be "Jones Act" vessels available and in a position to meet the loading dates required, no waivers may be approved.

(e) The names of any vessel(s) to be employed under a "Jones Act" waiver must be provided to the U.S. Customs Service no later than 3 days prior to the beginning of the 3-day loading window scheduled in accordance with Provision No. C.5.

C.8 Vessel loading procedures

(a) After notification of ASO, each ASO shall arrange with the SPR/PMO a schedule of vessel loading windows in accordance with Provision No. C.5.

(b) The length of the scheduled loading window shall be 3 days. The average quantity to be lifted during a loading window will be no less than DOE's minimum contract quantity.

(c) Tankships, ITBs, and self-propelled barges shall be capable of sustaining a minimum average load rate of 15,000 barrels per hour (BPH) during loading operations. Barges with a load rate of not less than 5,000 BPH shall be permitted at the Sun Terminal barge docks. With the consent of the SPR/PMO, lower loading rates and the use of barges at the Sun and Phillips Terminals' suitably equipped tankship docks may be permitted if such do not interfere with DOE's obligations to other parties.

(d) At least 7 days in advance of the beginning of the scheduled loading window, the purchaser shall furnish the SPR/PMO with vessel nominations specifying: (i) name and size of vessel or advice that the vessel is To Be Nominated at a later date (such date to be no later than 3 days before commencement of the loading window); (ii) estimated date of arrival (to be narrowed to a firm date not later than 72 hours prior to the first day of the vessel's 3-day window, as provided in

paragraph (f) below); (iii) quantity to be loaded and contract number; and (iv) other relevant information requested by the SPR/PMO. DOE will advise the purchaser, in writing, of the acceptance or rejection of the nominated vessel within 24 hours of such nomination. If no advice is furnished within 24 hours, the nomination will be firm. Once established, changes in such nomination details may be made by only mutual agreement of the parties, to be confirmed by DOE in writing. The purchaser shall be entitled to substitute another vessel of similar size for any vessel so nominated, subject to DOE's approval. DOE must be given at least 3 days notice prior to the first day of the 3-day loading window of any such substitution. DOE shall make a reasonable effort to accept any nomination for which notice has not been given in strict accordance with the above provisions.

(e) In the event the purchaser intends to use more than one vessel to take delivery of the quantity scheduled to be delivered during a loading window, the information in (d) above and (f) below shall be provided for each vessel.

(f) The vessel shall notify the SPR/PMO of the expected day of arrival 72 hours before the beginning of his scheduled 3-day loading window. This notice establishes the firm agreed-upon date of arrival which is the 1-day window for the purposes of vessel demurrage (see Provision No. C.9). In addition, the vessel shall notify the SPR/PMO of the expected hour of arrival 72, 48 and 24 hours in advance of arrival, and after the first notice, to advise of any variation of more than 4 hours. With the first notification of the hour of arrival, the Master shall advise the SPR/PMO: (i) quantity of oily bilge wastes or sludge requiring discharge ashore; (ii) cargo loading rate requested; (iii) number, size, and material of vessel's manifold connections; and (iv) defects in vessel or equipment affecting performance or maneuverability.

(g) Notice of Readiness shall be tendered upon arrival at berth or at customary anchorage which is deemed to be any anchorage within 6 hours vessel time to the SPR dock. The preferred anchorages are identified in Exhibit E. The Notice of Readiness shall be confirmed promptly in writing to the SPR/PMO and the terminal responsible for coordination of crude oil loading operations. Such notice shall be effective only if given during customary port operating hours. If notice is given after customary business hours of the port, it shall be effective as of the beginning of customary business hours on the next business day.

(h) DOE shall use its best efforts to berth the purchaser's vessel as soon as possible after receipt of the Notice of Readiness.

(i) Standard hose and fittings (American Standard Association standard connections) for loading shall be provided by DOE. Pur-

chasers must arrange for line handling, deballasting, tug boat and pilot services, both for arrival and departure, through the terminal or ship's agent, and bear all costs associated with such services.

(j) Tankships, ITBs, and self-propelled barges shall be allowed berth time of 36 hours, and barges shall be allowed berth time of 24 hours, as defined below. Vessels loading cargo quantities in excess of 500,000 barrels shall be allowed berth time of 36 hours plus 1 hour for each 20,000 barrels to be loaded in excess of 500,000 barrels. Conditions below excepted, however, the vessel shall not remain at berth more than 6 hours after completion of cargo loading unless hampered by tide or weather.

(1) Berth time shall commence with the vessel's first line ashore and shall continue until loading of the vessel, or vessels in case more than one vessel is loaded, is completed and the last line is off. In addition, allowable berth time will be increased by the amount of any delay occurring subsequent to the commencement of berth time and resulting from causes due to adverse weather, labor disputes, force majeure and the like, decisions made by port authorities affecting loading operations, actions of DOE, its contractors and agents resulting in delay of loading operations (providing this action does not arise through the fault of the purchaser or purchaser's agent), and customs and immigration clearance. The time required by the vessel to discharge oily wastes or to moor multiple vessels sequentially into berth shall count as used berth time.

(2) For all hours of berth time in excess of allowable berth time provided for above, the purchaser shall be liable for dock demurrage and also shall be subject to the conditions of Provision No. C.10.

C.9 Vessel laytime and demurrage

(a) The laytime allowed DOE for handling of the purchaser's vessel shall be 36 running hours. For vessels with cargo quantities in excess of 500,000 barrels, laytime shall be 36 running hours plus 1 hour for each 20,000 barrels of cargo to be loaded in excess of 500,000 barrels. Vessel laytime shall commence when the vessel is moored alongside or 6 hours after receipt of a Notice of Readiness, whichever occurs first. It shall continue 24 hours per day, seven days per week without interruption from its commencement until loading of the vessel is completed and cargo hoses or loading arms are disconnected. Any delay to the vessel in reaching berth caused by the fault or negligence of the vessel or purchaser, delay due to breakdown or inability of the vessel's facilities to load, decisions made by vessel owners or operators or by port authorities affecting loading operations, discharge of ballast or slops, customs and immigration clearance, weather, labor disputes, force majeure and the like shall not

count as used laytime. In addition, movement in roads shall not count as used laytime.

(b) If the vessel is tendered for loading on a date earlier than the firm agreed-upon arrival date, established in accordance with Provision No. C.8, and other vessels are loading or have already been scheduled for loading prior to the purchaser's vessel, the purchaser's vessel shall await its turn and vessel laytime shall not commence until the vessel moors alongside, or at 0600 hours local time on the firm agreed-upon date of arrival, whichever occurs first. If the vessel is tendered for loading later than 2400 hours on the firm agreed-upon date of arrival, DOE will use its best efforts to have the vessel loaded as soon as possible in its proper turn with other scheduled vessels, under the circumstances prevailing at the time. In such instances, vessel laytime shall commence when the vessel moors alongside.

(c) For all hours or any part thereof of vessel laytime which elapse in excess of the allowed vessel laytime for loading provided for above, demurrage shall be paid by DOE, for U.S.-flag vessels, at the lesser of the demurrage rate in the tanker voyage or charter party agreement, or the most recently available United States Freight Rate Average (USFRA) for a hypothetical tanker with a deadweight in long tons equal to the weight in long tons of the crude oil loaded, multiplied by the most recent edition of the American Tanker Rate Schedule rate for such hypothetical tanker. For foreign flag vessels, demurrage shall be as determined above, except that the London Tanker Brokers' Panel Average Freight Rate Assessment (AFRA) and most recent edition of the Worldwide Tanker Nominal Freight Scale shall be used as appropriate, if less than the charter party rate. For all foreign flag vessel loadings that commence during a particular calendar month, the applicable AFRA shall be the one that is determined on the basis of freight assessments for the period ended on the 15th day of the preceding month. The demurrage rate for barges will be the hourly rate contained in the charter of a chartered barge, or if it is not a chartered barge, at a rate determined by DOE as a fair rate under prevailing conditions. If demurrage is incurred because of breakdown of machinery or equipment of DOE or its contractors (other than the purchaser), the rate of demurrage shall be reduced to one-half the rate stipulated herein per running hour and pro rata of such reduced rate for part of an hour for demurrage so incurred. Demurrage payable by DOE, however, shall in no event exceed the actual demurrage expense incurred by the purchaser as the result of the delay.

(d) In the event the purchaser is using more than one vessel to load the quantity scheduled to be delivered during a single loading window, the terms of this provision

and the Government's liability for demurrage apply only to the first vessel presenting its Notice of Readiness in accordance with (a) above.

(e) The primary source document and official record for demurrage calculations is the SPRCODR (see Provision No. C.17).

C.10 Purchaser liability for excessive berth time

The Government reserves the right to direct a vessel loading SPR petroleum at a delivery point specified in the NS, to vacate its SPR berth, and absorb all costs associated with this movement, should such vessel, through its operational inability to receive oil at the average rates provided for in Provision No. C.8, cause the berth to be unavailable for an already scheduled follow-on vessel. Furthermore, should a breakdown of the vessel's propulsion system prevent its getting under way on its own power, the Government may cause the vessel to be removed from the berth with all costs to be borne by the purchaser.

C.11 Pipeline delivery procedures

(a) No later than the last day of the month preceding the month of delivery, the purchaser shall furnish the SPR/PMO with the following information: (i) confirmation of the pipeline's acceptance of the amount of the petroleum proposed to be delivered in the delivery month; (ii) an estimated schedule (consistent with the terms of the contract) for delivery of the petroleum to the pipeline; and (iii) the name and telephone number of the pipeline point of contact with whom the SPR/PMO should coordinate the petroleum delivery.

(b) Once established, the pipeline delivery schedule can only be changed with DOE's prior written consent.

C.12 Title and risk of loss

Unless otherwise provided in the NS, title to and risk of loss for SPR petroleum will pass to the purchaser at the delivery point as follows:

(a) For vessel shipment—when the petroleum passes from the dock loading equipment connections to the vessel's permanent hose connection.

(b) For pipeline shipment—when the petroleum passes the permanent flange connecting the SPR's distribution terminal to the commercially-owned pipeline, except for shipments via the LOCAP and ARCO Terminals where title and risk of loss pass when the petroleum enters the LOCAP or ARCO Terminal meter bank.

(c) For in-transit shipments—when the petroleum passes the permanent flange of the discharging vessel manifold upon discharge into the purchaser's designated marine terminal facility or vessel.

C.13 Acceptance of crude oil

(a) When practical, the NS shall update the SPR crude oil stream characteristics shown in Exhibit D, SPR Crude Oil Stream Characteristics. However, the purchaser shall accept the crude oil delivered regardless of characteristics. Except as provided below, DOE assumes no responsibility for deviations in quality.

(b) In the event that the crude oil stream delivered both has a total sulfur content (by weight) in excess of 3.5 percent if Bryan Mound Maya, 2.0 percent if any other sour crude oil stream, or 0.50 percent if a sweet crude oil stream, and, in addition, has an API gravity less than 20°API if Bryan Mound Maya, 26°API if any other sour crude oil stream, or 32°API if a sweet crude oil stream, the purchaser shall accept the crude oil delivered and either pay the contract price adjusted in accordance with Provision No. C.14, or request negotiation of the contract price. Unless the purchaser submits a written request for negotiation of the contract price to the Contracting Officer within 10 days from the date of delivery, the purchaser shall be deemed to have accepted the adjustment of the price in accordance with Provision No. C.14. Should the purchaser request a negotiation of the price and the parties be unable to agree as to that price, the dispute shall be settled in accordance with Provision No. C.34.

C.14 Price adjustments for quality differentials for crude oil

(a) The NS will specify quality price adjustments applicable to the crude oil streams offered for sale. Unless otherwise specified by the NS, price adjustments will be made solely for variations between the API gravity of the crude oil delivered and the API gravity of the crude oil stream contracted for as published in the NS. Price adjustments for SPR crude oil streams are expected to be similar to one or more commercial crude oil differential postings for equivalent quality crude oil.

(b) Price adjustments will be applied only to the amount of variation by which the API of the crude oil delivered differs by more than plus or minus five-tenths of one degree API (+/- 0.5°API) from the API gravity of the crude oil stream contracted for as published in the NS. The contract price per barrel shall be increased by that amount if the API gravity of the crude oil delivered exceeds the published API gravity by more than 0.5°API and decreased by that amount if the crude oil delivered falls below the published API gravity by more than 0.5°API.

C.15 Determination of quality of petroleum

(a) The quality of the crude oil delivered to the purchaser will be determined from samples taken from the delivery tanks in accordance

with API *Manual of Petroleum Measurement Standards*, Chapter 8.1, *Manual Sampling of Petroleum and Petroleum Products* (ASTM D4057), latest edition, or from the composite sample collected by an automatic inline sampler whose performance has been verified in accordance with the sampling system proving system outlined in the API *Manual of Petroleum Measurement Standards*, Chapter 8.2, *Automatic Sampling of Petroleum and Petroleum Products* (ASTM D4177), latest edition. Preference will be given to samples collected by means of an automatic inline sampler when such a system is available and operational. Tests to be performed by DOE or its authorized contractor are:

(1) Sediment and Water

Primary methods: API *Manual of Petroleum Measurement Standards*, Chapter 10.1, *Determination of Sediment in Crude Oils and Fuel Oils by the Extraction Method* (ASTM D473) (IP53), latest edition; and API *Manual of Petroleum Measurement Standards*, Chapter 10.2, *Determination of Water in Crude Oil by Distillation* (ASTM D4006) (IP358), latest edition.

Alternate methods: API *Manual of Petroleum Measurement Standards*, Chapter 10.3, *Determination of Water and Sediment in Crude Oil by the Centrifuge Method (Laboratory Procedure)* (ASTM D4007) (IP 359), latest edition; or API *Manual of Petroleum Measurement Standards*, Chapter 10.4, *Standard Methods of Test for Water—and Sediment in Crude Oils*, (API Pub. 2542) (ASTM D96), latest edition.

(2) Sulfur

Primary method: ASTM D1552, *Sulfur in Petroleum Products (High) Temperature Method*, latest edition.

Alternate methods: ASTM D2622, *Sulfur in Petroleum Products (X-ray Spectrographic Method)*, latest edition; or ASTM D4294, *Sulfur in Petroleum Products by Non-Dispersive X-ray Fluorescence Spectrometry*, latest edition.

(3) API Gravity

API *Manual of Petroleum Measurement Standards*, Chapter 9.1, *Hydrometer Test Method for Density, Relative Density (Specific Gravity)*, or API *Gravity of Crude Petroleum and Liquid Petroleum Products* (ASTM D1298), latest edition; or API *Gravity of Crude Petroleum and Petroleum Products (Hydrometer Method)* (ASTM D287), latest edition.

To the maximum extent practicable, the primary methods will be used for determination of SPR crude oil quality characteristics. However, because of conditions prevailing at the time of delivery, it may be necessary to use alternate methods of test for one or more of the quality characteristics. The primary methods are binding in any dispute over quality characteristics of SPR crude oil.

(b) The purchaser may arrange for additional services to witness and verify testing simultaneously with the Government Quality Assurance Representatives. Such services, however, will be for the account of the

purchaser. Any disputes will be settled in accordance with Provision No. C.34. Should the purchaser opt not to provide such additional services, then the Government findings will be binding on the purchaser.

C.16 Determination of quantity of petroleum

(a) The quantity of crude oil delivered to the purchaser will be determined from opening and closing tank gauges with adjustment for opening and closing free water and sediment and water as determined from shore tank samples where an inline sampler is not available, or delivery meter reports. All volumetric measurements made when the crude oil is at a temperature other than 60° F will be converted to Net Standard Volume in barrels at 60° F, using the *API Manual of Petroleum Measurement Standards*, Chapter 11.1, Volume 1, *Volume Correction Factors* (ASTM D1250) (IP 200); Table 5A-Generalized Crude Oils, Correction of Observed API Gravity to API Gravity at 60° F; Table 6A-Generalized Crude Oils, Correction of Volume to 60° F Against API Gravity at 60° F, latest edition, and by deducting the tanks' free water, and the entrained sediment and water as determined by the testing of composite all-levels samples taken from the delivery tanks; or by deducting the sediment and water as determined by testing a composite sample collected by a certified in-line sampler.

(b) The quantity determination shall be made and certified by the DOE contractor responsible for loading operations, and witnessed by the Government Quality Assurance Representative at the delivery point. The purchaser shall have the right to have representatives present at the gauging/measuring, sampling, and testing. Should the purchaser arrange for additional inspection services, such services will be for the account of the purchaser. Any disputes shall be settled in accordance with Provision No. C.34. Should the purchaser not arrange for additional services, then DOE's findings shall be binding on the purchaser.

C.17 Delivery documentation

The quantity and quality determination shall be documented on the SPR/PMO Crude Oil Delivery Report (SPRCODR), SPRPMO-F-6110.2-14 (see Exhibit J for copy of this form). The SPRCODR will be signed by the purchaser's agent to acknowledge receipt of the quantity and quality of crude oil indicated. In addition, for vessel deliveries, the time statement on the SPRCODR will be signed by the vessel's Master when loading is complete. Copies of the completed SPRCODR, with applicable supporting documentation (i.e., metering or tank gauging tickets and appropriate calculation worksheets), will be furnished to the purchaser and/or the purchaser's authorized representative after completion of delivery. They will

serve as the basis for invoicing and/or reconciliation invoicing for the sale of petroleum as well as for any associated services that may be provided.

C.18 Contract amounts for crude oil

The contract quantities and dollar value stated in the NA are estimates. The per barrel unit price is subject to adjustment due to variation in the API gravity from the published characteristics. In addition, due to conditions of loading and shipping, the quantity actually delivered may vary by +/- 10 percent for each DLI. However, a purchaser is not required to engage additional vessels if sufficient vessels to take delivery of at least 90 percent of the contract quantity have been engaged.

C.19 Payment

(a) Payment for oil delivered shall be due no later than 10 days after the date of delivery.

(b) Payment shall be made by the payment and performance guarantee which must be either:

(1) A letter of credit conforming without exception to requirements of Provision No. C.20, and Exhibit H, Payment and Performance Guarantee - Letter of Credit and equal to 100 percent of the contract amount; or

(2) An advance payment by cash wire deposit, made in accordance with the wire transfer instructions in Provision No. C.24 and equal to 110 percent of the contract amount.

(c) The purchaser must furnish an acceptable payment and performance guarantee before DOE will execute the NA. The Contracting Officer will inform the ASO by telephone that the guarantee is due within a period which may be as short as 5 business days. The Contracting Officer may, at his discretion, send a confirming telegram of the notification, but the timeliness of receipt for the guarantee is determined by the date of the telephone call.

(d) All wire deposit and letter of credit costs will be borne by the purchaser.

(e) The Contracting Officer (who may act through the SPR/PMO Planning and Financial Management Division) may draw against this payment and performance guarantee at any time after the first delivery for any monies due under the contract for petroleum delivered and at any time for any other monies owing to DOE under the contract, no matter how the debt arose.

C.20 Payment and performance letters of credit - general requirements

(a) Each letter of credit must conform without exception to the standard letter of credit provided as Exhibit H.

(b) DOE does not require information concerning the issuing bank's agreement with

its customer. Any language in the letter of credit in addition to that specified in Exhibit H shall make the letter of credit unacceptable and shall be cause for rejection of the offer.

(c) As set forth in Exhibit H, the letter of credit provides for payment to DOE by wire transfer of funds over FEDWIRE. If a letter of credit is from a single depository institution, including a branch or an agency of a foreign bank, (hereinafter referred to as "bank") that bank must maintain an account with any Federal Reserve Bank or Branch (Fed) and be a participant in the Fed's FEDWIRE funds transfer system. If the letter of credit is issued by a syndicate of banks, only the institution acting as agent for the syndicate and responsible for honoring the drafts drawn under the letter of credit must maintain a Fed account and be a participant in FEDWIRE.

(d) DOE reserves the right to request evidence that the bank official signing the letter of credit is authorized to do so, such as a confirming telex, telephone call, or letter from another bank official, or other appropriate evidence as determined by the Contracting Officer.

C.21 Billing and payment - with purchaser's letter of credit

(a) After delivery of the SPR petroleum and completion of the delivery documentation, the Contracting Officer shall prepare an invoice in accordance with the contract and the delivery documentation.

(b) Upon completion of the invoice, the SPR/PMO Planning and Financial Management Division shall prepare a draft requesting a wire transfer of funds in accordance with the letter of credit and transmit that message to the bank issuing the letter of credit by express mail or telex, or via the FEDWIRE system. On the date specified in the draft, nominally 10 days after completion of the delivery of petroleum, the bank shall use the wire transfer procedures specified in the letter of credit to transfer the invoiced funds to the account of the U.S. Treasury. If the draft is not transmitted within 10 days of completion of delivery of the petroleum, the due date shall be the next business day after receipt of the draft.

(c) The SPR/PMO shall provide copies of the invoices to the purchaser and the bank by mail.

(d) In the event that the bank refuses to honor the draft against the letter of credit, the purchaser shall be responsible for paying any interest due (see Provision No. C.25) from the due date specified in the draft.

(e) Within 30 calendar days after final payment under the contract, the Contracting Officer shall authorize the cancellation of the letter of credit and shall return it to the purchaser.

C.22 Billing and payment - with purchaser's advance payment

(a) If the offeror elects to pay in advance, delivery documentation will be provided to the purchaser after each delivery. After the last delivery under the contract, a reconciliation billing will be made. If money is due from the purchaser to DOE, an invoice will be issued to the purchaser (see paragraph (b) below). If money is due the purchaser, a Treasury check will be issued in accordance with the Treasury Fiscal Requirements Manual.

(b) In accordance with the delivery documentation and the contract, the Contracting Officer shall determine the amount of any reconciliation invoice and transmit it to the purchaser by express mail, mail or telex. A purchaser is deemed to have received mailed invoices on the second day after their dispatch and telex and express mail invoices on the day after dispatch. Reconciliation invoices must be paid in accordance with Provision No. C.24 10 business days after the purchaser is deemed to have received them.

C.23 Replacement of funds in the payment and performance guarantee

(a) Payment and performance guarantees must be maintained in full force and effect to the Contracting Officer's satisfaction at the following minimum levels until final payment under the contract:

(1) Letter of credit at 100 percent of the contract price of the petroleum remaining to be paid for; and

(2) Advance payment at 110 percent of the contract price of the petroleum remaining to be delivered.

(b) If the Contracting Officer draws against the letter of credit, or makes charges against the advance payment, for monies owed DOE for oil delivered, for liquidated damages or for other funds due DOE, the purchaser shall be notified within 24 hours by express mail, mail or telex of the fact of such withdrawal or charge and the amount thereof. Purchaser is deemed to have received a mailed notice on the second business day after its dispatch and a telex or express mail notice the next business day after its dispatch.

(c) In the event that a draw against the payment and performance guarantee causes its amount to fall below the levels specified in (a) above, the purchaser shall, within 5 business days after it is deemed to have received notification in (b) above, replenish the payment and performance guarantee to those levels. Such replenishment shall be made either by the wire transfer of funds in accordance with Provision No. C.24, or by the provision of a new letter of credit or amendment of the old letter of credit. If such replenishment is not made within 5 business days, the Contracting Officer may, on the 6th business day, without prior notice to the

purchaser withhold deliveries under the contract and/or terminate the contract in whole or in part for default under Provision No. C.27.

C.24 Method of payments - general

(a) Notwithstanding any other contract provision, DOE may invoice the purchaser at any time for payment of monies due under the contract. These would include but not be limited to, interest, liquidated damages, amounts owing for any services provided for under the contract, and the difference between the contract price and price received on the resale of undelivered petroleum as defined in Provision No. C.27. If the invoice is for delinquent payments, interest shall accrue from the date of the delinquency and not from the invoice's deemed date of receipt by purchaser.

(b) All amounts payable by the purchaser in excess of \$1,000.00 shall be paid by wire transfer as a deposit to the account of the U.S. Treasury through FEDWIRE. Information which must be included on each wire transfer is specified in Exhibit I, Instruction Guide for Funds Transfer.

(c) Payments in amounts less than \$1,000.00 shall be by check made out to "U.S. Department of Energy." Such payments will be sent with documentation to identify the payer and purpose of the payment to: U.S. Department of Energy, Strategic Petroleum Reserve Project Management Office, Crude Oil Sales, Planning and Financial Management Division, Mail Stop PR-652, 900 Commerce Road East, New Orleans, Louisiana 70123.

(d) DOE may designate another place, different timing, or another method of payment after reasonable written notice to the purchaser.

(e) No payment due DOE hereunder shall be subject to reduction or set-off for any claim of any kind against the United States arising independently of the contract.

(f) If a purchaser disagrees with the amounts invoiced by DOE, the purchaser immediately shall pay the amount invoiced, and notify the Contracting Officer of the basis for its disagreement. The Contracting Officer will receive and act upon any such objection asserted at any time prior to final payment under this contract. Failure to agree to any adjustment shall be a dispute, and purchaser shall file a claim promptly in accordance with Provision No. C.34.

C.25 Interest

Amounts due and payable by the purchaser or its bank which are not paid in accordance with the provisions governing such payments shall bear interest from the date due until the date payment is received by the Government.

Interest shall be computed on a daily basis. The interest rate shall be in accordance with

the Current Value of Funds rate as established by the Department of the Treasury in accordance with the Debt Collection Act of 1982 and published periodically in Bulletins to the Treasury Fiscal Requirements Manual and in the FEDERAL REGISTER.

C.26 Government options if payment is not received

(a) If any amount owed to DOE is not paid within the time deadlines specified by the applicable provisions, the Contracting Officer may, at his discretion, take the following actions either simultaneously or in any sequence he deems appropriate, with or without prior notice to the purchaser:

(1) Invoice the purchaser for the amount on which payment is delinquent or provide written notice that payment is delinquent;

(2) Draw against the letter of credit for all amounts due and delinquent;

(3) Apply any advance payment received against the amount due and delinquent;

(4) Withhold all or any part of future deliveries under the contract; and/or

(5) Terminate the contract, in whole or in part, for purchaser default, in accordance with Provision No. C.27.

(b) Any disputes will be settled by the Contracting Officer in accordance with Provision No. C.34.

C.27 Termination

(a) Immediate termination.

(1) The Contracting Officer may terminate this contract in whole or in part, without liability of DOE, by written notice to the purchaser effective upon its being deposited in the U.S. Postal System addressed to the purchaser as provided in Provision No. C.33 in the event that the purchaser either notifies the Contracting Officer that it will not be able to accept, or fails to accept, any delivery line item in accordance with the terms of the contract. Such notice shall invite the purchaser to submit information to the Contracting Officer as to the reasons for the failure to accept the delivery line item in accordance with the terms of the contract.

(2) Within 10 business days after the issuance of the notice of termination, the Contracting Officer may determine that such termination was a termination for default under subparagraph (b)(1)(ii) of this provision. In the absence of information which persuades the Contracting Officer that the purchaser's failure to accept the delivery line item was excusable, the fact of such failure may be the basis for the Contracting Officer determining the purchaser to be in default, without first determining under subparagraphs (b)(2) and (b)(3) whether such failure was excusable under the terms of the contract. The Contracting Officer shall promptly give the purchaser written notice of such determination.

(3) Any immediate termination other than one determined to be a termination for default in accordance with subparagraph (a)(2) and paragraph (b) of this provision shall be a termination for the convenience of DOE without liability of the Government.

(b) Termination for Default.

(i) Subject to the provisions of subparagraphs (b)(2) and (b)(3), the Contracting Officer may terminate the contract in whole or in part for purchaser default, without liability of DOE, by written notice to the purchaser, effective upon its being deposited in the U.S. Postal System, addressed to the purchaser as provided in Provision No. C.33 in the event that:

(i) The Government does not receive payment in accordance with any payment provision of the contract;

(ii) The purchaser fails to accept delivery of petroleum in accordance with the terms of the contract; or

(iii) The purchaser fails to comply with any other term or condition of the contract within 5 business days after the purchaser is deemed to have received written notice of such failure from the Contracting Officer.

(2) Except with respect to defaults of subcontractors, the purchaser shall not be determined to be in default or be charged with any liability to DOE under circumstances which prevent the purchaser's acceptance of delivery hereunder due to causes beyond the control and without the fault or negligence of the purchaser as determined by the Contracting Officer. Such causes shall include but are not limited to:

(i) Acts of God or the public enemy;

(ii) Acts of the Government acting in its sovereign or contractual capacity;

(iii) Fires, floods, earthquakes, explosions, unusually severe weather, or other catastrophes; or

(iv) Strikes.

(3) If the failure to perform is caused by the default of a subcontractor, the purchaser shall not be determined to be in default or to be liable for any excess costs for failure to perform, unless the supplies or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit the purchaser to meet the delivery schedule, if:

(i) Such default arises out of causes beyond the control of the purchaser and its subcontractor, and without the fault or negligence of either of them; or

(ii) Such default arises out of causes within the control of a transportation subcontractor, not an affiliate of the purchaser, hired to transport the purchaser's petroleum by vessel or pipeline, and such causes are beyond the purchaser's control, without the fault or negligence of the purchaser, and notwithstanding the best efforts of the purchaser to avoid default.

(4) In the event that the contract is terminated in whole or in part for default, the purchaser shall be liable to DOE for:

(i) The difference between the contract price on the contract termination date and any lesser price the Contracting Officer obtained upon resale of the petroleum; and

(ii) Liquidated damages as specified in Provision No. C.29 as fixed, agreed, liquidated damages for each day of delay until the petroleum is delivered to a purchaser under either a resolicitation for the sale of the quantities of oil defaulted on, or a NS issued after the date of default which specifies that it is for the sale of quantities of oil defaulted on. In no event shall liquidated damages be assessed for more than 30 days.

(5) In the event that the Government exercises its right of termination for default, and it is later determined that the purchaser's failure to perform was excused in accordance with subparagraphs (2) and (3), the rights and obligations of the parties shall be the same as if such termination was a termination for convenience without liability of the Government under paragraph (c).

(c) Termination for convenience.

(1) In addition to any other right or remedy provided for in the contract, the Government may terminate this contract at any time in whole or in part whenever the Contracting Officer shall determine that such termination is in the best interest of the Government. Such termination shall be without liability of the Government if such termination arises out of causes specified in (a)(1) or (b)(1) above, acts of the Government in its sovereign capacity, or causes beyond the control and without the fault or negligence of the Government, its contractors (other than the purchaser of SPR crude oil under this contract) and agents. For any other termination for convenience, the Government shall be liable for such reasonable costs incurred by the purchaser in preparing to perform the contract, but under no circumstances shall the Government be liable for consequential damages or lost profits as the result of such termination.

(2) The purchaser will be given immediate written notice of any decrease of petroleum deliveries greater than 10 percent, or of termination, under this paragraph (c). The termination or reduction shall be effective upon its notice being deposited in the U.S. Postal System unless otherwise specified in the notice. The purchaser is deemed to have received a mailed notice on the second day after its dispatch and a telex or express mail notice on the day after dispatch.

(3) Termination for the convenience of the Government shall not excuse the purchaser from liquidated damages accruing prior to the effective date of the termination.

(d) Nothing herein contained shall limit the Government in the enforcement of any legal or equitable remedy which it might

otherwise have, and a waiver of any particular cause for termination shall not prevent termination for the same cause occurring at any other time or for any other cause.

(e) In the event that the Government exercises its right of termination, as provided in paragraphs (a), (b), or (c)(1) above, the Contracting Officer may sell any undelivered petroleum under such terms and conditions as he deems appropriate.

(f) DOE's ability to deliver petroleum on the date on which the defaulted purchaser was scheduled to accept delivery, under another contract awarded prior to the date of the contractor's default, shall not excuse a purchaser that has been terminated for default from either liquidated damages or the difference between the contract price and any lesser price obtained on resale.

(g) Any disagreement with respect to the amount due the Government for either resale costs or liquidated damages shall be deemed to be a dispute and will be decided by the Contracting Officer pursuant to Provision No. C.34.

(h) The term "subcontractor" or "subcontractors" includes subcontractors at any tier.

C.28 Other Government remedies

(a) The Government's rights under this provision are in addition to any other right or remedy available to it by law or by virtue of this contract.

(b) The Government may, without liability on its part, withhold deliveries of petroleum under this contract or any other contract the purchaser may have with DOE if payment is not made in accordance with this contract.

(c) If the purchaser fails to take delivery of petroleum in accordance with the delivery schedule developed under the terms of the contract, and such tardiness is not excused under the terms of Provision No. C.27, but the Government does not elect to terminate that item for default, the purchaser nonetheless shall be liable to the Government for liquidated damages in the amount established by Provision No. C.29 for each calendar day of delay or fraction thereof until such time as it accepts delivery of the petroleum. In no event shall such damages be assessed for longer than 30 days. No purchaser that fails to perform in accordance with the terms of the contract shall be excused from liability for liquidated damages by virtue of the fact that DOE is able to deliver petroleum on the date on which the non-performing purchaser was scheduled to accept delivery, under another contract awarded prior to the date of default.

C.29 Liquidated damages

(a) In case of failure on the part of the purchaser to perform within the time fixed in

the contract or any extension thereof, the purchaser shall pay to the Government liquidated damages in the amount of 1 percent of the contract price of the undelivered petroleum per calendar day of delay or fraction thereof in accordance with paragraph (b) of Provision No. C.27 and paragraph (c) of Provision No. C.28.

(b) As provided in (a) above, liquidated damages will be assessed for each day or fraction thereof a purchaser is late in accepting delivery of petroleum in accordance with this contract, unless such tardiness is excused under Provision No. C.27. For petroleum to be lifted by vessel, damages will be assessed in the event that the vessel has not commenced loading by 11:59 p.m. on the second day following the last day of the 3-day delivery window established under Provision No. C.5, unless the vessel has arrived in roads and its Master has presented a notice of readiness to the Government or its agents. Liquidated damages shall continue until the vessel presents its notice of readiness. For petroleum to be moved by pipeline, if delivery arrangements have not been made by the last day of the month prior to delivery, liquidated damages shall commence on the 3rd day of the delivery month until such delivery arrangements are completed; if delivery arrangements have been made, then liquidated damages shall begin on the 3rd day after the scheduled delivery date if delivery is not commenced and shall continue until delivery is commenced.

(c) Any disagreement with respect to the amount of liquidated damages due the Government will be deemed to be a dispute and will be decided by the Contracting Officer pursuant to Provision No. C.34.

C.30 Failure to perform under SPR contracts

In addition to the usual debarment procedures, 10 CFR 625.3 provides procedures to make purchasers that fail to perform in accordance with these provisions ineligible for future contracts.

C.31 Government options in case of impossibility of performance

(a) In the event that DOE is unable to deliver petroleum contracted for to the purchaser due either to events beyond the control of the Government, including actions of the purchaser, or to acts of the Government, its agents, its contractors or subcontractors at any tier, the Government at its option may do either of the following:

(1) Terminate for the convenience of the Government under Provision No. C.27; or

(2) Offer different SPR crude oil streams or delivery times to the purchaser in substitution for those specified in the contract.

(b) In the event that a different SPR crude oil stream than originally contracted for is offered to the purchaser, the contract price

will be negotiated between the parties. In no event shall the negotiated price be less than the minimum acceptable price, if established for the same or similar crude oil streams in the most recent NS or determined after the opening of offers.

(c) DOE's obligation in such circumstances is to use its best efforts, and DOE under no circumstances shall be liable to the purchaser for damages arising from DOE's failure to offer alternate SPR crude oil streams or delivery times.

(d) If the parties are unable to reach agreement as to price, crude oil streams or delivery times, DOE may terminate the contract for the convenience of the Government under Provision No. 27.

C.32 Limitation of Government liability

DOE's obligation under these SSPs and any resultant contract is to use its best efforts to perform in accordance therewith. The Government under no circumstances shall be liable thereunder to the purchaser for the conduct of the Government's contractors or subcontractors or for indirect, consequential, or special damages arising from its conduct, except as provided herein; neither shall the Government be liable thereunder to the purchaser for any damages due in whole or in part to causes beyond the control and without the fault or negligence of the Government, including but not restricted to, acts of God or public enemy, acts of the Government acting in its sovereign capacity, fires, floods, earthquakes, explosions, unusually severe weather, other catastrophes, or strikes.

C.33 Notices

(a) Any notices required to be given by one party to the contract to the other *in writing* shall be forwarded to the addressee, prepaid, by U.S. registered, return receipt requested mail, express mail, telegram, or telex. Parties shall give each other written notice of address changes.

(b) Notices to the purchaser shall be forwarded to the purchaser's address as it appears in the offer and in the contract.

(c) Notices to the Contracting Officer shall be forwarded to the following address: U.S. Department of Energy, Strategic Petroleum Reserve, Project Management Office, Procurement and Sales Division, Mail Stop PR-651, 900 Commerce Road East, New Orleans, Louisiana 70123.

C.34 Disputes

(a) This contract is subject to the Contract Disputes Act of 1978 (41 U.S.C. Section 601 et seq.). If a dispute arises relating to the contract, the purchaser may submit a claim to the Contracting Officer, who shall issue a written decision on the dispute in the manner specified in 48 CFR 1-33.211.

(b) "Claim" means:

(1) A written request submitted to the Contracting Officer;

(2) For payment of money, adjustment of contract terms, or other relief;

(3) Which is in dispute or remains unresolved after a reasonable time for its review and disposition by the Government; and

(4) For which a Contracting Officer's decision is demanded.

(c) In the case of dispute requests or amendments to such requests for payment exceeding \$50,000, the purchaser shall certify at the time of submission as a claim, as follows:

I certify that the claim is made in good faith, that the supporting data are current, accurate and complete to the best of my knowledge and belief and that the amount requested accurately reflects the contract adjustment for which the purchaser believes the Government is liable.

Purchaser's name _____

Signature _____

Title _____

(d) The Government shall pay to the purchaser, interest on the amount found due to the purchaser on claims submitted under this provision at the rate established by the Department of the Treasury from the date the amount is due until the Government makes payment. The Contract Disputes Act of 1978 and the Prompt Payment Act adopt the interest rate established by the Secretary of the Treasury under the Renegotiation Act as the basis for computing interest on money owed by the Government. This rate is published semi-annually in the FEDERAL REGISTER.

(e) The purchaser shall pay to DOE, interest on the amount found due to the Government and unpaid on claims submitted under this provision at the rate specified in Provision No. C.25 from the date the amount is due until the purchaser makes payment.

(f) The decision of the Contracting Officer shall be final and conclusive and shall not be subject to review by any forum, tribunal, or Government agency unless an appeal or action is commenced within the times specified by the Contract Disputes Act of 1978.

(g) The purchaser shall comply with any decision of the Contracting Officer and at the direction of the Contracting Officer shall proceed diligently with performance of this contract pending final resolution of any request for relief, claim, appeal, or action related to this contract.

C.35 Assignment

The purchaser shall not make or attempt to make any assignment of a contract which incorporates these SSPs or any interest therein contrary to the provisions of Federal law, including the Anti-Assignment Act (41 U.S.C. 15), which provides:

No contract or order, or any interest therein, shall be transferred by the party to whom such contract or order is given to any other party, and any such transfer shall cause the annulment of the contract or order transferred, so far as the United States are concerned. All rights of action, however, for any breach of such contract by the contracting parties, are reserved to the United States.

C.36 Order of precedence

In the event of an inconsistency between the terms of the various parts of this contract, the inconsistency shall be resolved by giving precedence in the following order:

- (a) The NA and written modifications thereto;
- (b) The NS;
- (c) Those provisions of the SSPs (as published in the FEDERAL REGISTER), made applicable to the contract by the NS;
- (d) The instructions to the SPR Sales Offer Form; and
- (e) The successful offer.

C.37 Gratuities

(a) The Government, by written notice to the purchaser, may terminate the right of the purchaser to proceed under this contract if it is found, after notice and hearing, by the Secretary of Energy or his duly authorized representative, that gratuities (in the form of entertainment, gifts, or otherwise) were offered by or given by the purchaser, or any agent or representative of the purchaser, to any officer or employee of the Government, with a view toward securing a contract or securing favorable treatment with respect to the awarding, amending, or making of any determinations with respect to the performing of such contract; provided, that the existence of the facts upon which the Secretary of Energy or his duly authorized representative makes such findings shall be in issue and may be reviewed in any competent court.

(b) In the event that this contract is terminated as provided in paragraph (a) hereof, the Government shall be entitled (1) to pursue the same remedies against the purchaser as it could pursue in the event of a breach of the contract by purchaser, and (2) as a penalty in addition to any other damages to which it may be entitled by law, to exemplary damages in an amount (as determined by the Secretary of Energy or his duly authorized representative) which shall not be less than three nor more than 10 times the cost incurred by the purchaser in providing any such gratuities to any such officer or employee.

(c) The rights and remedies of the Government provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

C.38 Officials not to benefit

No member of or delegate to Congress, or resident commissioner, shall be admitted to any share or part of this contract, or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

EXHIBITS:

- A - SPR Sales Offer Form
- B - Sample Notice of Sale
- C - Solicitation, Offer and Award — Standard Form 33
- D - SPR Crude Oil Stream Characteristics
- E - SPR Delivery Point Data
- F - Reserved
- G - Offer Guarantee — Letter of Credit
- H - Payment and Performance Guarantee — Letter of Credit
- I - Instruction Guide for Funds Transfer Messages to Treasury
- J - Form SPRPMO-F-6110.2-14 — SPR Crude Oil Delivery Report
- K - Offer Guarantee Calculation Worksheet

EXHIBIT A

Social Security Number or Employer/Taxpayer ID

**STRATEGIC PETROLEUM RESERVE
SALES OFFER FORM**[illegible]**OFFEROR INFORMATION**

NAME

ADDRESS

CITY

STATE

ZIP CODE _____

COUNTRY

TELEPHONE

BOND (Instruction 10)

AGENT INFORMATION

NAME

ADDRESS

CITY

STATE

ZIP CODE

COUNTRY

TELEPHONE

INSTRUCTIONS**1. Identification Number**

Individuals enter social security number. Businesses enter employer/taxpayer ID. Include dashes.

2. Master Line Item (MLI)

Offerors may bid on one or more MLIs, but may not make alternate bids on separate master line items (i.e., the offer may not state 1,000,000 barrels from either MLI 001, or MLI 002).

3. Maximum MLI Quantity (MAXQ)

For each MLI offered against, offers shall state here, in thousands of barrels, the number of barrels which the offeror seeks to purchase on the MLI, regardless of delivery method. The maximum MLI quantity shall be not less than the DOE's minimum quantity as stated in the Notice of Sale (NS).

4. Delivery Line Items (DLI)

Applicable DLI delivery methods are as follows:

DLI A Pipeline delivery from first terminal
DLI B,C,D Tanker delivery from first terminal
DLI E,F,G Barge delivery from first terminal
DLI H Pipeline delivery from second terminal
DLI I,J,K Tanker delivery from second terminal

DLI A and H nominally have a 30-day delivery period. Vessel DLIs B,E and I have ten day delivery periods nominally from the 1st to the 10th; C, F and J cover the 11th to the 20th; and D, G and K cover the 21st to the last day of the period of sale. Not all DLIs may be available on a particular MLI. For example, barges are allowed only at the Sun Terminal barge docks (with certain limited exceptions, see SSP No. C-8). Therefore, only MLI 004 and MLI 005 have DLIs E, F and G. Buyers are cautioned to read the NS carefully as it may alter the period of time covered by each DLI if the period of sale does not correspond to a calendar month. This is most likely to occur in the first sales cycle of a drawdown. For example, the NS may alter DLIs B, C, D, E, F, G, I, J and K to cover approximately 15 days instead of 10, or if the period of sale runs from the middle of one month to the middle of the next, DLIs B, E and I may be designated as covering the 15th to 25th of the first month, etc.

5. Unit Price (UP\$)

The offer shall state the offered price per barrel on each DLI for which the offer indicates a desired DLI quantity. The offer may state either the same unit price for different DLIs or different unit prices. DOE will award the highest price first. Prices may be stated to one-hundredths of a cent (\$0.0001), but in no smaller fraction thereof.

6. Delivery Preference (P)

Where the offer has the same unit price for two or more DLIs, the offer may indicate the offeror's order of preference for delivery method and period (1st, 2nd, 3rd, etc.).

If the offer does not indicate a preference, DOE will select the DLI(s) to be awarded at its discretion.

7. Desired DLI Quantity (DESQ)

Offerors must indicate at least one desired DLI, stating (in thousands of barrels) the number of barrels which the offeror will accept by the delivery method and during the delivery period established for that DLI. An offeror may indicate a willingness to accept alternate delivery methods or delivery periods. An offeror may request all, part or none of the offer's maximum MLI quantity on any particular DLI. A total of all the offeror's desired DLI quantities should total at least the maximum MLI quantity, but could exceed the maximum MLI quantity if the offeror is willing to accept alternate delivery methods or periods. For example, the offer could state:

MLI: 001
Maximum MLI Quantity: 1,000
Desired DLI Quantities:
DLI 001B: 1,000
DLI 001C: 1,000
DLI 001D: 1,000

This would indicate the offeror would be willing to accept one million barrels of Bryan Mound sweet to be delivered to its vessels either from the 1st through the 10th, the 11th through the 20th, or 21st through the end of the month.

8. Minimum Contract Quantity (MINQ)

For each DLI on which an offer is made, the offeror should indicate his willingness to accept as little as DOE's specified minimum contract quantity for that DLI by marking the "Y" block, or unwillingness to accept less than the DESQ for that DLI by marking the "N" block. If neither "Y" or "N" is indicated, the offer will be evaluated as though the offeror had indicated a "Y". DOE only will award less than the offeror's desired DLI quantity if an offer is otherwise successful, but the quantity which DOE has available for award is less than said desired DLI quantity or award of the desired quantity would cause the offeror's MAXQ on the MLI to be exceeded.

9. Total Price

The offer shall calculate the total price (desired DLI quantity times unit price) for each DLI on which an offer is made. The offeror is reminded that DESQ is stated in thousands of barrels.

10. Offer Guarantee

The amount of the offer guarantee is \$10 million dollars or 5 percent of the maximum potential contract amount, whichever is less. The maximum potential contract amount is the sum of the products determined by multiplying the offer's maximum purchase quantity for each MLI times the highest offer prices that the offeror would have to pay for that MLI if the offer is successful. To assist in this calculation, instructions and a worksheet are available at Exhibit K. Submission of the worksheet is not mandatory.

NOTICE OF
SALE NUMBER

OFFER

Social Security Number or
Employer/Taxpayer ID

MLI = MASTER LINE ITEM NUMBER (INSTRUCTION 2)
DLI = DELIVERY LINE ITEM (INSTRUCTIONS 4 AND 7)
UP\$\$ = UNIT PRICE (U.S. \$/BBL (INSTRUCTION 5))
P = PREFERENCE (INSTRUCTION 6)

MAXQ = MAXIMUM MLI QUANTITY (1000 BBL (INSTRUCTION 3))
DESO = DESIRED MLI QUANTITY (1000 BBL (INSTRUCTION 7))
MINQ = MINIMUM CONTRACT QUANTITY (INSTRUCTION 8)

MLI 002 BRYAN MOUND SOUR

MAXQ

DLI	P	UP\$\$	DESO	MINQ	Y	N	TOTAL PRICE (UP\$\$xDESO)
A							\$
B							\$
C							\$
D							\$
H							\$
I							\$
J							\$
K							\$

MLI 001 BRYAN MOUND SWEET

MAXQ

DLI	P	UP\$\$	DESO	MINQ	Y	N	TOTAL PRICE (UP\$\$xDESO)
A							\$
B							\$
C							\$
D							\$
H							\$
I							\$
J							\$
K							\$

MLI 004 WEST HACKBERRY SWEET

MAXQ

DLI	P	UP\$\$	DESO	MINQ	Y	N	TOTAL PRICE (UP\$\$xDESO)
A							\$
B							\$
C							\$
D							\$
E							\$
F							\$
G							\$

MLI 003 BRYAN MOUND MAYA

MAXQ

DLI	P	UP\$\$	DESO	MINQ	Y	N	TOTAL PRICE (UP\$\$xDESO)
A							\$
B							\$
C							\$
D							\$

PAGE 2 OF 2

NOTICE OF
SALE NUMBER

OFFER

Social Security Number or
Employer/Taxpayer ID

MAXQ = MAXIMUM MLI QUANTITY (1000 BBL) (INSTRUCTION 3)
DESO = DESIRED DLI QUANTITY (1000 BBL) (INSTRUCTION 7)
MINQ = MINIMUM CONTRACT QUANTITY (INSTRUCTION 8)

MLI = MASTER LINE ITEM NUMBER (INSTRUCTION 2)
DLI = DELIVERY LINE ITEM (INSTRUCTIONS 4 AND 7)
UP\$\$ = UNIT PRICE (U.S. \$/BBL) (INSTRUCTION 5)
P = PREFERENCE (INSTRUCTION 6)

MLI 006 WEEKS ISLAND SOUR

MLI 005 WEST HACKBERRY SOUR

DLI	P	UP\$\$	DESO	MINQ	Y	N	TOTAL PRICE
							(UP\$\$xDESO)
A							\$
B							\$
C							\$
D							\$

DLI	P	UP\$\$	DESO	MINQ	Y	N	TOTAL PRICE
							(UP\$\$xDESO)
A							\$
B							\$
C							\$
D							\$
E							\$
F							\$
G							\$

MLI 008 BAYOU CHOCTAW SOUR

MLI 007 BAYOU CHOCTAW SWEET

DLI	P	UP\$\$	DESO	MINQ	Y	N	TOTAL PRICE
							(UP\$\$xDESO)
A							\$
B							\$
C							\$
D							\$

DLI	P	UP\$\$	DESO	MINQ	Y	N	TOTAL PRICE
							(UP\$\$xDESO)
A							\$
B							\$
C							\$
D							\$

By signing below the offeror certifies agreement without exception to all terms and conditions applicable to this sale and that the maximum potential contract amount (Instruction 10) is \$ _____.

Department of Energy

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Exhibit B—Sample Notice of Sale (NS)

1. NS No. DE-NS-96-84P010001 is issued (date) for sale of Strategic Petroleum Reserve (SPR) crude oil. All references to "Provision No." refer to the Standard Sales Provisions (SSPs) published in the Federal Register (date). All provisions are applicable to this sale except that provision No(s). (give number or numbers) are changed to read: (give changes). Additional provisions are hereby added (give new numbers which do not duplicate others in SSPs) which read: (give text).

NOTE: Should the SSPs be extensively changed, the Notice of Sale (NS) may include, for information purposes only, a complete text of the SSPs as modified for the sale. Offerors are cautioned, however, that these complete text SSPs have *no* contractual status and that in the event of any inconsistencies, the published SSPs and the NS shall establish the terms and conditions for the sale.

2. Offers and offer guarantees must be received by 1:00 p.m. local time on (date) at addresses for mailed and handcarried offers given in SSPs.

3. Offerors must give names, addresses and telephone numbers, including area codes, for authorized representative of the offeror with whom the Government may conduct any necessary discussions.

4. Direct questions regarding NS to (name of individual), telephone (504) 734-4226. Collect calls will not be accepted.

5. Master Line Item (MLI) numbers given herein refer to those schedules attached as Exhibit A of the SSPs. The quantities for each MLI offered for sale are as follows: MLI 001: _____ bbls; MLI 002 not offered this sale; MLI 003: _____ bbls; MLI 004 : _____ bbls; MLI 005 not offered this sale; MLI 006: not offered this sale; MLI 007: _____ bbls; MLI 008: _____ bbls.

6. Offered delivery line items (DLI) and their maximums, i.e., offered DLIs and the Department of Energy's best estimates of the maximum amount of petroleum that can be moved by each delivery line item transportation system over the delivery period, are as follows (see provision No. B.16 of the SSPs):

7. Minimum quantities which will be awarded for each delivery line item (DLI) are as follows:

8. Delivery line item A, for pipeline delivery, is not offered under MLI 001. Offerors wishing to take delivery of MLI 001 by pipeline should offer to purchase quantities under delivery line items B, C, and D. If successful, purchasers may modify delivery method under Provision No. C.6.

9. Consideration to be paid for alteration of contract delivery modes in accordance with provision No. C.6 is as follows:

10. Applicable quality differentials are plus or minus _____ ¢ per degree API gravity, or part thereof, for sweet crude oil streams, and plus or minus _____ ¢ per one-tenth degree API gravity for sour crude oil streams.

11. Refinery recipients' "Superfund" tax liability is as follows:

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10 CFR Ch. II (1-1-98 Edition)

EXHIBIT C

CMB Approved No. 9000-0008

SOLICITATION, OFFER AND AWARD		1. THIS CONTRACT IS A RATED ORDER UNDER RFQAS (15 CFR 350)		RATING		PAGE OF	
2. CONTRACT NO.		3. SOLICITATION NO.		4. TYPE OF SOLICITATION <input type="checkbox"/> SEALED BID (IFB) <input type="checkbox"/> NEGOTIATED (RFP)		5. DATE ISSUED	
7. ISSUED BY		CODE		8. ADDRESS OFFER TO (If other than Item 7)			
6. REQUISITION/PURCHASE NO.							

NOTE: In sealed bid solicitations "offer" and "offeror" mean "bid" and "bidder".

SOLICITATION

9. Sealed offers in original and _____ copies for furnishing the supplies or services in the Schedule will be received at the place specified in Item 8, or if handcarried, in the depository located in _____ until _____ (Hour) local time _____ (Date)

CAUTION - LATE Submissions, Modifications, and Withdrawals: See Section L, Provision No. 52.214-7 or 52.215-10. All offers are subject to all terms and conditions contained in this solicitation.

10. FOR INFORMATION CALL:		A. NAME		B. TELEPHONE NO. (Include area code) (NO COLLECT CALLS)	
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11. TABLE OF CONTENTS

(V)	SEC.	DESCRIPTION	PAGE(S)	(V)	SEC.	DESCRIPTION	PAGE(S)
PART I - THE SCHEDULE				PART II - CONTRACT CLAUSES			
	A	SOLICITATION/CONTRACT FORM			I	CONTRACT CLAUSES	
	B	SUPPLIES OR SERVICES AND PRICES/COSTS		PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACH.			
	C	DESCRIPTION/SPECS./WORK STATEMENT			J	LIST OF ATTACHMENTS	
	D	PACKAGING AND MARKING		PART IV - REPRESENTATIONS AND INSTRUCTIONS			
	E	INSPECTION AND ACCEPTANCE			K	REPRESENTATIONS, CERTIFICATIONS AND OTHER STATEMENTS OF OFFERORS	
	F	DELIVERIES OR PERFORMANCE			L	INSTRS., CONDS., AND NOTICES TO OFFERORS	
	G	CONTRACT ADMINISTRATION DATA			M	EVALUATION FACTORS FOR AWARD	
	H	SPECIAL CONTRACT REQUIREMENTS					

OFFER (Must be fully completed by offeror)

NOTE: Item 12 does not apply if the solicitation includes the provisions at 52.214-16, Minimum Bid Acceptance Period.

12. In compliance with the above, the undersigned agrees, if this offer is accepted within _____ calendar days (60 calendar days unless a different period is inserted by the offeror) from the date for receipt of offers specified above, to furnish any or all items upon which prices are offered at the price set opposite each item, delivered at the designated point(s), within the time specified in the schedule.

13. DISCOUNT FOR PROMPT PAYMENT (See Section I, Clause No. 52.222-9)	10 CALENDAR DAYS	20 CALENDAR DAYS	30 CALENDAR DAYS	CALENDAR DAYS
	%	%	%	%

14. ACKNOWLEDGMENT OF AMENDMENTS (The offeror acknowledges receipt of amendments to the SOLICITATION for offerors and related documents numbered and dated: _____)	AMENDMENT NO.	DATE	AMENDMENT NO.	DATE

15A. NAME AND ADDRESS OF OFFEROR	CODE	FACILITY	16. NAME AND TITLE OF PERSON AUTHORIZED TO SIGN OFFER (Type or print)

15B. TELEPHONE NO. (Include area code)	15C. CHECK IF REMITTANCE ADDRESS IS DIFFERENT FROM ABOVE. ENTER SUCH ADDRESS IN SCHEDULE	17. SIGNATURE	18. OFFER DATE
	<input type="checkbox"/>		

AWARD (To be completed by Government)

19. ACCEPTED AS TO ITEMS NUMBERED	20. AMOUNT	21. ACCOUNTING AND APPROPRIATION

22. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION: <input type="checkbox"/> 10 U.S.C. 2304(c)(1) <input type="checkbox"/> 41 U.S.C. 253(c)(1)	23. SUBMIT INVOICES TO ADDRESS SHOWN IN (4 copies unless otherwise specified)	ITEM

24. ADMINISTERED BY (If other than Item 7)	CODE	25. PAYMENT WILL BE MADE BY	CODE

26. NAME OF CONTRACTING OFFICER (Type or print)	27. UNITED STATES OF AMERICA (Signature of Contracting Officer)	28. AWARD DATE

IMPORTANT - Award will be made on this Form, or on Standard Form 26, or by other authorized official written notice.

NSN 7540-01-152-8064 33-134 STANDARD FORM 33 (REV. 4-85)
PREVIOUS EDITION NOT USABLE Prescribed by GSA
FAR (48 CFR) 53.214(c)
★ GPO : 1985 O - 491-248 (20232)

Exhibit D—SPR Crude Oil Stream Characteristics

Exhibit D

U.S. DEPARTMENT OF ENERGY, STRATEGIC PETROLEUM RESERVE

CRUDE OIL ANALYSIS

Stream SPR Bryan Mound SweetTerminals Phillips Terminal, Freeport, TXARCO Terminal, Texas City, TX

Crude								
Specific Gravity	0.8449	Ni, ppm	5.1(5.3)*	ERV, psia @ 100° F	5.60			
API Gravity	36.0	V, ppm	2.4(3.2)*	Neutralization No.	0.06			
Sulfur, Wt. %	0.32	Fe, ppm	4.3(4.1)*	H ₂ S, ppm (c)*	8.4			
Nitrogen, Wt. %	0.122	Org. Cl, ppm (c)*	0.7	Mercaptans, ppm (c)*	0.4			
Con. Car. Res., Wt. % (c)*	2.20	O.D. Color	11,450	Viscosity: 77° F	7.93	cSt	51.7	SUS
Pour Point, °F	40	UOP "K"	12.00	100° F	4.89	cSt	42.0	SUS
Fraction	C ₄ -C ₅	1	2	3	4	5	6	7
Cut Temp.	C ₅ -175° F	C ₅ -175° F	175°-250° F	250°-375° F	375°-530° F	530°-650° F	650°-1035° F	Residuum
Vol. - mls	106.2	159.2	291.0	452.7	586.6	455.5	1020.1	416.2
Vol. %	3.0	4.6	8.3	13.0	16.8	13.0	29.2	11.9
Vol. Sum %	3.0	7.6	15.9	28.9	45.7	58.7	87.9	99.8
Wt. - grams	63.7	108.8	214.2	350.9	484.0	389.0	927.4	412.0
Wt. %	2.2	3.7	7.3	11.9	16.4	13.2	31.4	14.0
Specific Gravity	0.6	0.6635	0.7362	0.7752	0.8251	0.8540	0.9091	0.990
API Gravity		75.5	60.7	51.0	40.0	34.2	24.1	11.4
Sulfur, Wt. %		0.003	0.002	0.016	0.08	0.26	0.54	1.02
Mercaptans, ppm		9.9	<1	<1	<1			
H ₂ S, ppm		<1	10.6	27.1	26.9			
Organic Cl, ppm		2.2	3.8	3.2				
Aniline Point, °F				127.4	145.4	166.4	192.9	
Neutralization No.					0.04	0.09		
Cetane Index					47.09	52.72		
Naphthalenes, vol. %					4.51	8.74		
Smoke point					16.8	14.7		
Nitrogen, Wt. %					0.0004	0.007	0.142	0.668
Viscosity:								
cSt (SUS)	77° F				7.40(50.0)			
	100° F				1.85(32.1)	4.93(42.2)		
	130° F					3.37(37.3)	25.07(119.9)	
	180° F						10.03(59.3)	
	210° F							864.6(4126)
	250° F							247.3(1156)
Freezing Point, °F					-31.0			
Cloud Point, °F						26	118	
Pour Point, °F						25	100	
Ni, ppm							Not Detectable	37.6
V, ppm							Not Detectable	23.0
Fe, ppm							Not Detectable	28.9
Con. Car. Res., Wt. %							--	15.7

* (c), calculated from fraction results.

Whole crude lead content: 0.006 ppm.

Research Octane Number: 70.9
Motor Octane Number: 67.2C₅-175°F C₅-375°F
52.6
48.6

Data current as of September 19, 1986, but subject to change.

Gas Chromatographic Analysis

SPR BRYAN MOUND SWEET

	Distillate fractions, ASTM D 2892			
	C ₅ -175° F Vol. %	175-250° F Vol. %	250-375° F Vol. %	375-420° F Vol. %
* Total Paraffins	43.1	23.8	26.0	30.8
Total Iso-paraffins	36.0	25.5	22.6	0.6
Total Aromatics	2.4	5.6	21.7	33.8
Total Naphthenes	18.5	45.1	25.9	2.1
Total Olefins	0.0	0.0	0.0	0.0
Total Unknowns	0.0	0.0	3.7	32.6
Paraffins:				
C1	0.0	0.0	0.0	0.0
C2	0.0	0.0	0.0	0.0
C3	0.0	0.0	0.0	0.0
C4	1.4	0.1	0.0	0.0
C5	18.5	0.4	0.0	0.0
C6	22.4	4.2	0.0	0.0
C7	0.8	14.4	0.5	0.0
C8	0.0	4.8	6.6	0.0
C9	0.0	0.0	8.9	0.1
C10	0.0	0.0	7.6	1.6
C11	0.0	0.0	2.4	12.5
C12	0.0	0.0	0.1	16.7
Iso-paraffins:				
C4	0.0	0.0	0.0	0.0
C5	8.9	0.2	0.0	0.0
C6	24.2	2.1	0.0	0.0
C7	2.9	12.7	0.2	0.0
C8	0.0	10.5	3.2	0.0
C9	0.0	0.0	10.6	0.0
C10	0.0	0.0	8.4	0.4
C11	0.0	0.0	0.2	0.2
Aromatics:				
C6	2.0	0.7	0.0	0.0
C7	0.4	4.3	0.6	0.1
C8	0.0	0.7	7.4	0.0
C9	0.0	0.0	8.4	0.7
C10	0.0	0.0	4.7	12.7
C11	0.0	0.0	0.5	16.7
C12	0.0	0.0	0.0	3.7
Naphthenes:				
C5	2.1	0.1	0.0	0.0
C6	14.3	8.2	0.1	0.0
C7	2.1	24.7	1.6	0.0
C8	0.0	12.0	11.5	0.0
C9	0.0	0.0	7.1	0.1
C10	0.0	0.0	5.5	1.8
C11	0.0	0.0	0.1	0.1
C12	0.0	0.0	0.0	0.0
Olefins:				
C4	0.0	0.0	0.0	0.0
C5	0.0	0.0	0.0	0.0
C6	0.0	0.0	0.0	0.0
C7	0.0	0.0	0.0	0.0
C8	0.0	0.0	0.0	0.0

Debutanization Fraction	
Component	Vol. %
Methane	0.0
Ethane	0.0
Propane	13.8
i-Butane	11.9
n-Butane	39.4
i-Pentane	18.0
n-Pentane	15.1
C ₆ +	1.8

Whole Crude B-T-X

Component	Vol. %
Benzene	0.150
Toluene	0.375
Ethylbenzene	0.020
Xylenes	0.034

* The gas chromatographic PIANO method used provides for elution and identification of components up to a nominal n-C₁₂ (420° F).

CRUDE OIL ANALYSIS

Stream SPR Bryan Mound SourTerminals Phillips Terminal, Freeport, TXARCO Terminal, Texas City, TX

Crude					
Specific Gravity	0.8683	Ni, ppm	11.3(15.4)*	ERV, psia @ 100° F	3.40
API Gravity	31.5	V, ppm	50.9(60.6)*	Neutralization No.	0.08
Sulfur, Wt. %	1.60	Fe, ppm	Not Detectable	H ₂ S, ppm (c)*	0.8
Nitrogen, Wt. %	0.149	Org. Cl, ppm (c)*	1.1	Mercaptans, ppm (c)*	12.1
Con. Car. Res., Wt. % (c)*	4.81	O.D. Color	25,540	Viscosity: 77° F	11.4 cSt 63.7 SUS
Pour Point, °F	0	UOP "K"	11.85	100° F	7.44 cSt 50.2 SUS

Fraction	C ₆	C ₅	1	2	3	4	5	6	7
Cut Temp.	C ₆	C ₅	175° F	250° F	375° F	530° F	530° F	650° F	Residue
Vol. - ml	23.8	133.6	271.6	522.8	634.3	459.2	1160.7	597.4	
Vol. %	0.6	3.5	7.0	13.6	16.5	11.9	30.1	15.5	
Vol. Sum %	0.6	4.1	11.1	24.7	41.2	53.1	83.2	98.7	
Wt. - grams	14.3	90.1	197.0	403.6	518.8	395.1	1074.0	618.9	
Wt. %	0.4	2.7	5.9	12.1	15.5	11.8	32.1	18.5	
Specific Gravity	0.6	0.6743	0.7254	0.7720	0.8179	0.8605	0.9253	1.036	
API Gravity		78.4	63.6	51.8	41.5	32.9	21.4	5.1	
Sulfur, Wt. %		0.002	0.005	0.046	0.42	1.14	2.08	3.88	
Mercaptans, ppm		24.4	41.3	74.2	<1				
H ₂ S, ppm		2.1	2.3	5.4	10.9				
Organic Cl, ppm		1.6	4.7	6.2					
Aniline Point, °F				126.7	144.9	160.4	178.9		
Neutralization No.					0.02	0.01			
Cetane Index					49.81	50.63			
Naphthalenes, vol. %					3.95	11.02			
Smoke point					16.6	14.2			
Nitrogen, Wt. %					0.0009	0.017	0.166	0.696	
Viscosity:									
cSt (SUS)					2.26(33.4)				
77° F					1.79 (<32.0)	4.80(41.8)			
100° F						3.20(37.0)	29.30(138.7)		
130° F							11.05(62.9)		
180° F								9002(41,985)	
210° F								1737(8120)	
250° F									
Freezing Point, °F					-31.0				
Cloud Point, °F						24	112		
Pour Point, °F						20	95		
Ni, ppm							Not Detectable	83.3	
V, ppm							Not Detectable	328	
Fe, ppm							Not Detectable	Not Detectable	
Con. Car. Res., Wt. %							--	26.0	

* (c), calculated from fraction results.

C₅-175°F C₅-375°F

Whole crude lead content: 0.002 ppm.

Research Octane Number: 64.6 41.8
Motor Octane Number: 60.7 40.5

Data current as of September 19, 1986, but subject to change.

Gas Chromatographic Analysis**SPR BRYAN MOUND SOUR**

		Distillate fractions, ASTM D 2892			
		C ₅ -175° F Vol. %	175-250° F Vol. %	250-375° F Vol. %	375-420° F Vol. %
Total	Paraffins	45.9	34.3	30.3	33.6
Total	Iso-paraffins	39.4	31.6	25.2	0.5
Total	Aromatics	2.7	7.9	24.3	36.4
Total	Naphthenes	12.0	26.2	16.6	1.6
Total	Olefins	0.0	0.0	0.0	0.0
Total	Unknowns	0.0	0.0	3.5	27.9
Paraffins:	C1	0.0	0.0	0.0	0.0
	C2	0.0	0.0	0.0	0.0
	C3	0.0	0.0	0.0	0.0
	C4	0.3	0.0	0.0	0.0
	C5	17.2	0.4	0.0	0.0
	C6	26.9	5.8	0.1	0.0
	C7	1.4	19.5	0.9	0.0
	C8	0.0	8.6	7.2	0.0
	C9	0.0	0.0	10.5	0.1
	C10	0.0	0.0	8.8	2.1
	C11	0.0	0.0	2.8	13.7
	C12	0.0	0.0	0.1	17.8
Iso-paraffins:	C4	0.0	0.0	0.0	0.0
	C5	6.7	0.2	0.0	0.0
	C6	27.6	2.6	0.0	0.0
	C7	5.1	15.2	0.4	0.0
	C8	0.0	13.3	3.5	0.0
	C9	0.0	0.4	12.2	0.0
	C10	0.0	0.0	9.0	0.4
	C11	0.0	0.0	0.1	0.1
Aromatics:	C6	1.9	0.8	0.0	0.0
	C7	0.8	5.6	0.9	0.1
	C8	0.0	1.5	7.1	0.0
	C9	0.0	0.0	10.5	1.3
	C10	0.0	0.0	5.0	13.0
	C11	0.0	0.0	0.9	17.5
	C12	0.0	0.0	0.0	4.4
Naphthenes:	C5	2.0	0.1	0.0	0.0
	C6	8.5	4.8	0.0	0.0
	C7	1.5	13.2	1.1	0.0
	C8	0.0	8.1	6.0	0.0
	C9	0.0	0.0	4.8	0.1
	C10	0.0	0.0	4.7	1.5
	C11	0.0	0.0	0.1	0.1
	C12	0.0	0.0	0.0	0.0
Olefins:	C4	0.0	0.0	0.0	0.0
	C5	0.0	0.0	0.0	0.0
	C6	0.0	0.0	0.0	0.0
	C7	0.0	0.0	0.0	0.0
	C8	0.0	0.0	0.0	0.0

Debutanization Fraction	
Component	Vol. %
Methane	0.0
Ethane	0.0
Propane	6.8
i-Butane	7.8
n-Butane	32.7
i-Pentane	22.6
n-Pentane	24.0
C ₆ +	6.0

Whole Crude B-T-X

Component	Vol. %
Benzene	0.123
Toluene	0.420
Ethylbenzene	0.035
Xylenes	0.071

* The gas chromatographic PIANO method used provides for elution and identification of components up to a nominal n-C₁₂ (420° F).

U.S. DEPARTMENT OF ENERGY, STRATEGIC PETROLEUM RESERVE

CRUDE OIL ANALYSIS

Stream SPR Bryan Mound MayaTerminals Phillips Terminal, Freeport, TX

Crude					
Specific Gravity	0.9166	Ni, ppm	58.4(62.4)*	ERVP, psia @ 100° F	5.15
API Gravity	22.9	V, ppm	263 (263)*	Neutralization No.	0.22
Sulfur, Wt. %	3.13	Fe, ppm	2.9 (0.9)*	H ₂ S, ppm (c)*	1.1
Nitrogen, Wt. %	0.356	Org. Cl, ppm (c)*	0.3	Mercaptans, ppm (c)*	17.7
Con. Car. Res., Wt. % (c)*	11.19	O.D. Color	69.450	Viscosity: 77° F	128.11 cSt
Pour Point, °F	0	UOP "K"	11.75	100° F	61.78 cSt
					287 SUS

Fraction		1	2	3	4	5	6	7
Cut Temp.	C ₂ -C ₄	C ₅ -175° F	175°-250° F	250°-375° F	375°-530° F	530°-650° F	650°-1014° F	Residuum
Vol. - mls	71.0	140.3	220.2	421.6	473.8	404.2	1104.7	1317.2
Vol. %	1.7	3.4	5.3	10.2	11.4	9.7	26.6	31.7
Vol. Sum %	1.7	5.1	10.4	20.6	32.0	41.7	68.3	100.0
Wt. - grams	42.6	94.8	159.9	325.4	390.9	351.4	1034.7	1405.5
Wt. %	1.1	2.5	4.2	8.5	10.3	9.2	27.2	36.9
Specific Gravity	0.6	0.6755	0.7263	0.7719	0.8251	0.8693	0.9366	1.067
API Gravity		78.0	63.2	51.8	40.0	31.3	19.6	1.1
Sulfur, Wt. %		0.010	0.018	0.291	0.95	2.00	2.97	5.52
Mercaptans, ppm		82.0	113.6	127.6	<1			
H ₂ S, ppm		2.9	2.4	5.3	5.0			
Organic Cl, ppm		1.8	1.9	1.8				
Aniline Point, °F				128.7	141.7	151.9	163.4	
Neutralization No.				0.03	0.06			
Cetane Index				47.09	48.14			
Naphthalenes, vol. %				4.16	10.98			
Smoke point				16.0	13.3			
Nitrogen, Wt. %				0.0016	0.030	0.232	0.786	
Viscosity:								
cSt (SUS)	77° F			2.33(33.7)				
	100° F			1.86(32.1)	4.92(42.1)			
	130° F				3.32(37.1)	33.89(159.3)		
	180° F					12.23(67.1)		
	210° F							495874(2.31x10 ⁶)
	250° F							42772 (199962)
Freezing Point, °F				-31.9				
Cloud Point, °F					24	106		
Pour Point, °F					20	90		
Ni, ppm						Not Detectable	169	
V, ppm						Not Detectable	711	
Fe, ppm						Not Detectable	2.4	
Con. Car. Res., Wt. %						0.45	30.0	

* (c), calculated from fraction results.

C₅-175° F C₅-375° F

Whole crude lead content: 0.008 ppm.

Research Octane Number: 64.4 41.5

Motor Octane Number: 60.7 41.3

Data current as of September 19, 1986, but subject to change.

Gas Chromatographic Analysis
SPR BRYAN MOUND MAYA

		Distillate fractions, ASTM D 2892			
		C ₅ -175° F Vol. %	175-250° F Vol. %	250-375° F Vol. %	375-420° F Vol. %
* Total Paraffins		48.0	33.5	30.8	34.2
Total Iso-paraffins		37.2	31.9	22.1	0.5
Total Aromatics		3.1	7.6	25.0	36.4
Total Naphthenes		11.7	27.0	17.0	1.3
Total Olefins		0.0	0.0	0.0	0.0
Total Unknowns		0.0	0.0	5.1	27.6
Paraffins:	C1	0.0	0.0	0.0	0.0
	C2	0.0	0.0	0.0	0.0
	C3	0.1	0.0	0.0	0.0
	C4	1.1	0.0	0.0	0.0
	C5	20.2	0.7	0.0	0.0
	C6	25.4	4.5	0.1	0.0
	C7	1.3	19.0	0.9	0.0
	C8	0.0	9.1	6.2	0.0
	C9	0.0	0.1	10.2	0.1
	C10	0.0	0.0	8.7	1.5
	C11	0.0	0.0	4.5	11.1
	C12	0.0	0.0	0.2	21.4
Iso-paraffins:	C4	0.2	0.0	0.0	0.0
	C5	8.5	0.3	0.0	0.0
	C6	24.0	2.5	0.0	0.0
	C7	4.5	14.2	0.4	0.0
	C8	0.0	13.5	3.0	0.0
	C9	0.0	1.4	9.9	0.0
	C10	0.0	0.0	8.8	0.5
	C11	0.0	0.0	0.0	0.0
Aromatics:	C6	2.0	0.8	0.0	0.0
	C7	1.1	5.2	0.9	0.1
	C8	0.0	1.6	7.8	0.1
	C9	0.0	0.0	9.3	1.3
	C10	0.0	0.0	5.7	10.9
	C11	0.0	0.0	1.3	18.9
	C12	0.0	0.0	0.0	5.2
Naphthenes:	C5	2.0	0.2	0.0	0.0
	C6	8.4	4.3	0.1	0.0
	C7	1.4	13.1	1.1	0.0
	C8	0.0	9.4	6.7	0.0
	C9	0.0	0.0	4.3	0.1
	C10	0.0	0.0	4.8	1.1
	C11	0.0	0.0	0.1	0.0
	C12	0.0	0.0	0.0	0.0
Olefins:	C4	0.0	0.0	0.0	0.0
	C5	0.0	0.0	0.0	0.0
	C6	0.0	0.0	0.0	0.0
	C7	0.0	0.0	0.0	0.0
	C8	0.0	0.0	0.0	0.0

Debutanization Fraction	
Component	Vol. %
Methane	0.0
Ethane	0.1
Propane	13.0
i-Butane	8.9
n-Butane	40.8
i-Pentane	15.0
n-Pentane	16.6
C ₆ +	5.6

Whole Crude B-T-X

Component	Vol. %
Benzene	0.110
Toluene	0.313
Ethylbenzene	0.029
Xylenes	0.057

* The gas chromatographic PIANO method used provides for elution and identification of components up to a nominal n-C₁₂ (420° F).

U.S. DEPARTMENT OF ENERGY, STRATEGIC PETROLEUM RESERVE

CRUDE OIL ANALYSIS

Stream SPR West Hackberry SweetTerminal Sun Marine Terminal, Nederland, TX

Crude								
Specific Gravity	0.8343	Ni, ppm	1.6(1.8)*	ERVP, psia @ 100° F	4.15			
API Gravity	38.1	V, ppm	2.7(3.4)*	Neutralization No.	0.14			
Sulfur, Wt. %	0.28	Fe, ppm	2.6(3.4)*	H ₂ S, ppm (c)*	0.5			
Nitrogen, Wt. %	0.090	Org. Cl, ppm (c)*	0.9	Mercaptans, ppm (c)*	0.7			
Con. Car. Res., Wt. % (c)*	1.81	O.D. Color	8,240	Viscosity: 77° F	4.88	cSt	41.9	SUS
Pour Point, °F	25	UOP "K"	12.00	100° F	3.60	cSt	37.9	SUS
Fraction	C ₂ -C ₄	1 C ₅ -175° F	2 175°-250° F	3 250°-375° F	4 375°-530° F	5 530°-650° F	6 650°-1050° F	7 Residuum
Vol. - mls	191.8	253.7	379.5	546.8	664.2	499.5	1131.5	382.1
Vol. %	4.7	6.3	9.4	13.5	16.4	12.3	27.9	9.4
Vol. Sum %	4.7	11.0	20.4	33.9	50.3	62.6	90.5	99.9
Wt. - grams	115.1	173.0	280.8	424.9	548.4	427.4	1028.5	378.7
Wt. %	3.4	5.1	8.3	12.6	16.2	12.6	30.4	11.2
Specific Gravity	0.6	0.6819	0.7400	0.7770	0.8256	0.8556	0.9090	0.991
API Gravity		76.0	59.7	50.6	39.9	33.9	24.2	11.3
Sulfur, Wt. %		0.020	0.001	0.004	0.04	0.23	0.53	1.09
Mercaptans, ppm		<1	<1	<1	4.5			
H ₂ S, ppm		<1	2.4	2.4	<1			
Organic Cl, ppm		1.5	4.0	4.1				
Aniline Point, °F			122.9	142.9	164.5	192.4		
Neutralization No.				0.05	0.10			
Cetane Index				46.91	52.23			
Naphthalenes, vol. %				4.96	9.52			
Smoke point				16.8	15.8			
Nitrogen, Wt. %				0.0005	0.007	0.130	0.604	
Viscosity:								
cSt (SUS) 77° F				2.33(33.6)				
100° F				1.85(32.1)	4.95(42.2)			
130° F					3.37(37.3)	25.96(123.7)		
180° F						10.38(60.5)		
210° F							701.9(3274)	
250° F							204.96(958)	
Freezing Point, °F				-32.8				
Cloud Point, °F					22	120		
Pour Point, °F					20	100		
Ni, ppm						Not Detectable	16.2	
V, ppm						Not Detectable	30.3	
Fe, ppm						Not Detectable	30.4	
Con. Car. Res., Wt. %						--	16.2	

* (c), calculated from fraction results.

C₅-175°F C₅-375°F

Whole crude lead content: 0.004 ppm.

Research Octane Number: 68.5 53.3

Motor Octane Number: 63.9 30.8

Data current as of September 19, 1986, but subject to change.

Gas Chromatographic Analysis

SPR WEST HACKBERRY SWEET

		Distillate fractions, ASTM D 2892			
		C5-175° F Vol. %	175-250° F Vol. %	250-375° F Vol. %	375-420° F Vol. %
* Total Paraffins		43.9	24.9	26.1	30.1
Total Iso-paraffins		35.1	24.4	20.7	0.7
Total Aromatics		3.6	8.9	24.2	35.1
Total Naphthenes		17.5	41.8	24.4	2.3
Total Olefins		0.0	0.0	0.0	0.0
Total Unknowns		0.0	0.0	4.6	31.7
Paraffins:	C1	0.0	0.0	0.0	0.0
	C2	0.0	0.0	0.0	0.0
	C3	0.0	0.0	0.0	0.0
	C4	1.7	0.0	0.0	0.0
	C5	20.3	0.3	0.0	0.0
	C6	21.3	4.1	0.0	0.0
	C7	0.6	14.9	0.5	0.0
	C8	0.0	5.6	6.7	0.0
	C9	0.0	0.0	8.9	0.1
	C10	0.0	0.0	7.3	2.2
	C11	0.0	0.0	2.5	11.7
	C12	0.0	0.0	0.1	16.1
Iso-paraffins:	C4	0.2	0.0	0.0	0.0
	C5	9.5	0.1	0.0	0.0
	C6	22.5	1.7	0.0	0.0
	C7	2.9	12.3	0.1	0.0
	C8	0.0	9.4	2.8	0.0
	C9	0.0	0.8	9.1	0.0
	C10	0.0	0.0	8.5	0.5
	C11	0.0	0.0	0.1	0.2
Aromatics:	C6	3.1	1.2	0.0	0.0
	C7	0.5	6.6	1.0	0.1
	C8	0.0	1.0	9.0	0.0
	C9	0.0	0.0	8.9	1.3
	C10	0.0	0.0	4.6	13.9
	C11	0.0	0.0	0.7	16.4
	C12	0.0	0.0	0.0	3.4
Naphthenes:	C5	2.9	0.1	0.0	0.0
	C6	13.1	8.8	0.1	0.0
	C7	1.5	22.8	1.6	0.0
	C8	0.0	10.0	10.4	0.0
	C9	0.0	0.0	7.4	0.2
	C10	0.0	0.0	4.9	2.1
	C11	0.0	0.0	0.1	0.1
	C12	0.0	0.0	0.0	0.0
Olefins:	C4	0.0	0.0	0.0	0.0
	C5	0.0	0.0	0.0	0.0
	C6	0.0	0.0	0.0	0.0
	C7	0.0	0.0	0.0	0.0
	C8	0.0	0.0	0.0	0.0

Debutanization Fraction	
Component	Vol. %
Methane	0.0
Ethane	0.0
Propane	9.7
i-Butane	7.8
n-Butane	35.4
i-Pentane	17.4
n-Pentane	21.5
C ₆ +	8.2

Whole Crude B-T-X

Component	Vol. %
Benzene	0.308
Toluene	0.652
Ethylbenzene	0.025
Xylenes	0.051

* The gas chromatographic PIANO method used provides for elution and identification of components up to a nominal n-C₁₂ (420° F).

U.S. DEPARTMENT OF ENERGY, STRATEGIC PETROLEUM RESERVE

CRUDE OIL ANALYSIS

Stream SPR West Hackberry SourTerminal Sun Marine Terminal, Nederland, TX

Crude								
Specific Gravity	0.8599	Ni, ppm	6.5(6.6)*	ERV, psia @ 100° F	4.10			
API Gravity	33.1	V, ppm	25.9(24.7)*	Neutralization No.	0.12			
Sulfur, Wt. %	1.40	Fe, ppm	5.8(6.1)*	H ₂ S, ppm (c)*	1.2			
Nitrogen, Wt. %	0.140	Org. Cl, ppm (c)*	0.4	Mercaptans, ppm (c)*	23.7			
Con. Car. Res., Wt. % (c)*	3.75	O.D. Color	18,300	Viscosity: 77° F	8.88	cSt	54.9	SUS
Pour Point, °F	<-5	UOP "K"	11.90	100° F	6.27	cSt	46.4	SUS
Fraction	C ₂ -C ₄	1	2	3	4	5	6	7
Cut Temp.		C5-175° F	175°-250° F	250°-375° F	375°-530° F	530°-650° F	650°-1050° F	Residuum
Vol. - mls	128.5	192.7	324.5	591.7	709.0	523.3	1265.3	635.9
Vol. %	2.9	4.4	7.4	13.6	16.3	12.0	29.0	14.6
Vol. Sum %	2.9	7.3	14.7	28.3	44.6	56.6	85.6	100.2
Wt. - grams	77.1	130.4	235.2	455.4	579.0	449.6	1166.5	646.7
Wt. %	2.1	3.5	6.3	12.1	15.4	12.0	31.1	17.2
Specific Gravity	0.6	0.6766	0.7249	0.7696	0.8167	0.8591	0.9219	1.017
API Gravity		77.6	63.7	52.4	41.8	33.2	22.0	7.6
Sulfur, Wt. %		0.020	0.010	0.040	0.32	1.02	1.96	3.48
Mercaptans, ppm		<1	43.1	120.4	41.4			
H ₂ S, ppm		16.8	3.7	3.2	<1			
Organic Cl, ppm		1.9	1.6	1.7				
Aniline Point, °F			128.0	145.8	162.5	180.5		
Neutralization No.				0.04	0.07			
Cetane Index				50.36	51.11			
Naphthalenes, vol. %				3.97	11.49			
Smoke point				20.1	15.3			
Nitrogen, Wt. %				0.0005	0.013	0.146	0.558	
Viscosity:								
cSt (SUS) 77° F				2.24(33.4)				
100° F				1.78 (<32.0)	4.87(42.0)			
130° F					3.32(37.1)	27.65(131.3)		
180° F						10.82(62.0)		
210° F							2210(10309)	
250° F							529.6(2476)	
Freezing Point, °F				-31.9				
Cloud Point, °F					22	104		
Pour Point, °F					20	50		
Ni, ppm						Not Detectable	38.2	
V, ppm						Not Detectable	143	
Fe, ppm						Not Detectable	35.2	
Con. Car. Res., Wt. %						--	21.8	

* (c), calculated from fraction results.

C₅-175° F C₅-375° F

Whole crude lead content: 0.025 ppm.	Research Octane Number:	62.9	43.6
	Motor Octane Number:	59.6	40.9

Data current as of September 19, 1986, but subject to change.

Gas Chromatographic Analysis**SPR WEST HACKBERRY SOUR**

		Distillate fractions, ASTM D 2892			
		C ₅ -175° F Vol. %	175-250° F Vol. %	250-375° F Vol. %	375-420° F Vol. %
* Total Paraffins		46.7	34.0	30.2	37.2
Total Iso-paraffins		39.1	32.5	23.2	0.5
Total Aromatics		2.9	7.5	25.3	36.2
Total Naphthenes		11.3	25.9	16.8	1.7
Total Olefins		0.0	0.0	0.0	0.0
Total Unknowns		0.0	0.1	4.4	24.3
Paraffins:	C1	0.0	0.0	0.0	0.0
	C2	0.0	0.0	0.0	0.0
	C3	0.0	0.0	0.0	0.0
	C4	0.5	0.0	0.0	0.0
	C5	17.2	0.3	0.0	0.0
	C6	28.0	5.4	0.0	0.0
	C7	0.9	20.5	0.7	0.0
	C8	0.0	7.8	7.4	0.0
	C9	0.0	0.0	10.4	0.1
	C10	0.0	0.0	8.4	2.6
	C11	0.0	0.0	3.2	14.1
	C12	0.0	0.0	0.1	20.3
Iso-paraffins:	C4	0.0	0.0	0.0	0.0
	C5	6.4	0.1	0.0	0.0
	C6	28.3	2.4	0.0	0.0
	C7	4.3	16.1	0.2	0.0
	C8	0.0	13.2	3.5	0.0
	C9	0.0	0.8	10.7	0.0
	C10	0.0	0.0	8.8	0.5
	C11	0.0	0.0	0.1	0.0
Aromatics:	C6	2.0	0.8	0.0	0.0
	C7	0.9	5.6	0.8	0.1
	C8	0.0	1.1	8.3	0.0
	C9	0.0	0.0	10.0	1.6
	C10	0.0	0.0	5.3	12.5
	C11	0.0	0.0	0.9	17.8
	C12	0.0	0.0	0.0	4.2
Naphthenes:	C5	2.0	0.1	0.0	0.0
	C6	8.3	4.7	0.1	0.0
	C7	1.1	13.2	0.8	0.0
	C8	0.0	7.9	6.4	0.0
	C9	0.0	0.0	4.7	0.1
	C10	0.0	0.0	4.8	1.6
	C11	0.0	0.0	0.0	0.0
	C12	0.0	0.0	0.0	0.0
Olefins:	C4	0.0	0.0	0.0	0.0
	C5	0.0	0.0	0.0	0.0
	C6	0.0	0.0	0.0	0.0
	C7	0.0	0.0	0.0	0.0
	C8	0.0	0.0	0.0	0.0

Debutanization Fraction	
Component	Vol. %
Methane	0.0
Ethane	0.2
Propane	9.0
i-Butane	7.6
n-Butane	34.6
i-Pentane	20.6
n-Pentane	24.6
C ₆ +	3.4

Whole Crude B-T-X

Component	Vol. %
Benzene	0.147
Toluene	0.454
Ethylbenzene	0.034
Xylenes	0.051

* The gas chromatographic PIANO method used provides for elution and identification of components up to a nominal n-C₁₂ (420° F).

U.S. DEPARTMENT OF ENERGY, STRATEGIC PETROLEUM RESERVE

CRUDE OIL ANALYSIS

Stream SPR Weeks Island SourTerminals DOE St. James Terminal, St. James, LALOCAP Terminal, St. James, LA

Crude								
Specific Gravity	0.8821	Ni, ppm	14.0(15.6)*	ERV, psia @ 100° F	4.85			
API Gravity	28.9	V, ppm	39.2(42.5)*	Neutralization No.	0.19			
Sulfur, Wt. %	1.32	Fe, ppm	0.7 (1.5)*	H ₂ S, ppm (c)*	0.3			
Nitrogen, Wt. %	0.216	Org. Cl, ppm (c)*	0.3	Mercaptans, ppm (c)*	6.3			
Con. Car. Res., Wt. % (c)*	4.97	O.D. Color	25,150	Viscosity: 77° F	18.02 cSt	89.5	SUS	
Pour Point, °F	15	UOP "K"	11.85	100° F	11.43 cSt	63.9	SUS	
Fraction	1	2	3	4	5	6	7	
Cut Temp.	C ₅ - 175° F	175°- 250° F	250°- 375° F	375°- 530° F	530°- 650° F	650°- 1029° F	Residuum	
Vol. - mls	117.7	132.0	252.0	455.6	642.3	526.7	1330.0	835.3
Vol. %	2.7	3.1	5.9	10.6	15.0	12.3	31.0	19.5
Vol. Sum %	2.7	5.8	11.7	22.3	37.3	49.6	80.6	100.1
Wt. - grams	70.6	91.3	185.7	354.3	533.0	458.2	1233.7	855.3
Wt. %	1.9	2.4	4.9	9.3	14.1	12.1	32.6	22.6
Specific Gravity	0.6	0.6918	0.7370	0.7777	0.8298	0.8699	0.9276	1.024
API Gravity		73.0	60.5	50.4	39.0	31.2	21.0	6.7
Sulfur, Wt. %		0.054	0.004	0.043	0.29	0.85	1.58	3.00
Mercaptans, ppm		10.2	17.4	41.8	9.0			
H ₂ S, ppm		<1	2.5	2.3	<1			
Organic Cl, ppm		2.8	2.1	1.7				
Aniline Point, °F				119.6	137.4	152.9	173.3	
Neutralization No.				0.06	0.07			
Cetane Index				45.31	47.98			
Naphthalenes, vol. %				4.75	11.77			
Smoke point				15.5	12.7			
Nitrogen, Wt. %				0.0006	0.013	0.173	0.692	
Viscosity:								
cSt (SUS) 77° F				2.31(33.7)				
100° F				1.85(32.1)	5.17(42.9)			
130° F					3.48(37.6)	30.96(146.1)		
180° F						11.58(64.8)		
210° F							4201(19592)	
250° F							935.8(4375)	
Freezing Point, °F				-33.7				
Cloud Point, °F					20	104		
Pour Point, °F					20	90		
Ni, ppm						Not Detectable	69.8	
V, ppm						Not Detectable	188	
Fe, ppm						Not Detectable	6.5	
Con. Car. Res., Wt. %						0.34	21.5	

* (c), calculated from fraction results.

C₅-175°F C₅-375°F

Whole crude lead content: 0.014 ppm.

Research Octane Number: 65.8 50.0
Motor Octane Number: 62.4 47.8

Data current as of September 19, 1986, but subject to change.

Gas Chromatographic Analysis

SPR WEEKS ISLAND SOUR

		Distillate fractions, ASTM D 2892			
		C ₅ -175° F Vol. %	175-250° F Vol. %	250-375° F Vol. %	375-420° F Vol. %
* Total Paraffins		41.0	27.7	26.5	29.7
Total Iso-paraffins		36.6	27.5	21.7	0.6
Total Aromatics		4.4	10.0	27.3	36.5
Total Naphthenes		18.0	34.7	20.9	1.7
Total Olefins		0.0	0.0	0.0	0.0
Total Unknowns		0.0	0.0	3.5	31.5
Paraffins:	C1	0.0	0.0	0.0	0.0
	C2	0.0	0.0	0.0	0.0
	C3	0.0	0.0	0.0	0.0
	C4	0.2	0.0	0.0	0.0
	C5	14.4	0.3	0.0	0.0
	C6	25.4	4.7	0.0	0.0
	C7	1.1	16.3	0.7	0.0
	C8	0.0	6.4	6.5	0.0
	C9	0.0	0.0	9.0	0.1
	C10	0.0	0.0	7.8	1.7
	C11	0.0	0.0	2.4	12.2
	C12	0.0	0.0	0.1	15.7
Iso-paraffins:	C4	0.0	0.0	0.0	0.0
	C5	5.0	0.1	0.0	0.0
	C6	26.9	2.0	0.0	0.0
	C7	4.6	13.3	0.2	0.0
	C8	0.0	11.2	3.1	0.0
	C9	0.0	0.9	10.0	0.0
	C10	0.0	0.0	8.3	0.4
	C11	0.0	0.0	0.1	0.2
Aromatics:	C6	3.7	1.4	0.0	0.0
	C7	0.7	7.4	1.2	0.1
	C8	0.0	1.2	9.8	0.1
	C9	0.0	0.0	10.1	1.5
	C10	0.0	0.0	5.5	13.0
	C11	0.0	0.0	0.6	17.7
	C12	0.0	0.0	0.0	4.3
Naphthenes:	C5	2.9	0.1	0.0	0.0
	C6	13.1	7.3	0.1	0.0
	C7	2.0	18.8	1.5	0.0
	C8	0.0	8.5	9.2	0.0
	C9	0.0	0.0	5.7	0.2
	C10	0.0	0.0	4.2	1.5
	C11	0.0	0.0	0.1	0.1
	C12	0.0	0.0	0.0	0.0
Olefins:	C4	0.0	0.0	0.0	0.0
	C5	0.0	0.0	0.0	0.0
	C6	0.0	0.0	0.0	0.0
	C7	0.0	0.0	0.0	0.0
	C8	0.0	0.0	0.0	0.0

Debutanization Fraction	
Component	Vol. %
Methane	0.0
Ethane	0.2
Propane	13.2
i-Butane	8.0
n-Butane	32.4
i-Pentane	17.9
n-Pentane	21.6
C ₆ +	6.6

Whole Crude B-T-X

Component	Vol. %
Benzene	0.197
Toluene	0.458
Ethylbenzene	0.025
Xylenes	0.048

* The gas chromatographic PIANO method used provides for elution and identification of components up to a nominal n-C₁₂ (420° F).

U.S. DEPARTMENT OF ENERGY, STRATEGIC PETROLEUM RESERVE

CRUDE OIL ANALYSIS

Stream SPR Bayou Choctaw SweetTerminals DOE St. James Terminal, St. James, LALOCAP Terminal, St. James, LA

Crude								
Specific Gravity	0.8424	Ni, ppm	4.4(4.4)*	ERVP, psia @ 100° F	8.10			
API Gravity	36.5	V, ppm	7.0(7.4)*	Neutralization No.	0.12			
Sulfur, Wt. %	0.40	Fe, ppm	2.1(3.3)*	H ₂ S, ppm (c)*	2.2			
Nitrogen, Wt. %	0.127	Org. Cl, ppm (c)*	0.4	Mercaptans, ppm (c)*	3.8			
Con. Car. Res., Wt. % (c)*	2.53	O.D. Color	14,000	Viscosity: 77° F	6.86	cSt	48.2	SUS
Pour Point, °F	30	UOP "K"	12.05	100° F	4.90	cSt	42.1	SUS

Fraction	1	2	3	4	5	6	7
Cut Temp.	C ₂ -C ₄	C ₅ -175° F	175°-250° F	250°-375° F	375°-530° F	530°-660° F	660°-Residuum
Vol. - mls	259.0	236.7	403.7	600.9	755.8	565.4	1456.9
Vol. %	5.3	4.9	8.3	12.4	15.6	11.7	30.1
Vol. Sum %	5.3	10.2	18.5	30.9	46.5	58.2	88.3
Wt. - grams	155.4	161.6	298.0	466.2	622.4	482.2	1322.0
Wt. %	3.8	4.0	7.3	11.4	15.3	11.8	32.4
Specific Gravity	0.6	0.6826	0.7382	0.7759	0.8235	0.8528	0.9074
API Gravity		75.8	60.2	50.9	40.3	34.4	24.4
Sulfur, Wt. %		0.004	0.002	0.011	0.06	0.26	0.54
Mercaptans, ppm		8.0	<1	<1	23.0		
H ₂ S, ppm		<1	6.3	15.4	<1		
Organic Cl, ppm		2.9	1.8	1.3			
Aniline Point, °F				126.0	144.8	167.3	195.4
Neutralization No.					0.04	0.08	
Cetane Index					47.62	53.05	
Naphthalenes, vol. %					4.40	9.12	
Smoke point					18.6	16.6	
Nitrogen, Wt. %					0.0003	0.006	0.136
Viscosity:							
cSt (SUS)					2.33(33.7)		
					1.85(32.1)	4.89(42.0)	
						3.33(37.1)	25.93(123.6)
							10.42(60.6)
							1227.9(5727)
							326.4 (1526)
Freezing Point, °F					-31.9		
Cloud Point, °F						28	114
Pour Point, °F						25	100
Ni, ppm							Not Detectable
V, ppm							31.9
Fe, ppm							Not Detectable
Con. Car. Res., Wt. %							53.3
							Not Detectable
							23.6
							--
							18.2

* (c), calculated from fraction results.

C₅-175° F C₅-375° F

Whole crude lead content: 0.006 ppm.

Research Octane Number: 68.4 51.7
Motor Octane Number: 64.1 48.2

Data current as of September 19, 1986, but subject to change.

Gas Chromatographic Analysis

SPR BAYOU CHOCTAW SWEET

		Distillate fractions, ASTM D 2892			
		C ₅ -175° F Vol. %	175-250° F Vol. %	250-375° F Vol. %	375-420° F Vol. %
Total Paraffins		41.6	25.4	27.0	30.9
Total Iso-paraffins		36.4	24.7	21.6	0.9
Total Aromatics		3.1	7.7	23.2	34.3
Total Naphthenes		18.9	42.0	24.2	2.6
Total Olefins		0.0	0.0	0.0	0.0
Total Unknowns		0.0	0.1	4.1	31.4
Paraffins:	C1	0.0	0.0	0.0	0.0
	C2	0.0	0.0	0.0	0.0
	C3	0.0	0.0	0.0	0.0
	C4	1.2	0.0	0.0	0.0
	C5	17.3	0.3	0.0	0.0
	C6	22.4	4.1	0.0	0.0
	C7	0.7	14.6	0.5	0.0
	C8	0.0	6.4	6.2	0.0
	C9	0.0	0.0	9.1	0.1
	C10	0.0	0.0	7.8	2.4
	C11	0.0	0.0	3.2	11.5
	C12	0.0	0.0	0.1	16.8
Iso-paraffins:	C4	0.1	0.0	0.0	0.0
	C5	8.1	0.1	0.0	0.0
	C6	24.5	2.0	0.0	0.0
	C7	3.6	12.2	0.2	0.0
	C8	0.0	9.4	2.7	0.0
	C9	0.0	0.9	10.1	0.1
	C10	0.0	0.0	8.5	0.6
Aromatics:	C11	0.0	0.0	0.1	0.2
	C6	2.6	0.9	0.0	0.0
	C7	0.6	5.6	0.8	0.1
	C8	0.0	1.2	7.8	0.0
	C9	0.0	0.0	8.7	1.4
	C10	0.0	0.0	4.9	13.2
	C11	0.0	0.0	0.9	16.2
Naphthenes:	C12	0.0	0.0	0.0	3.4
	C5	2.7	0.2	0.0	0.0
	C6	14.2	8.3	0.1	0.0
	C7	2.0	23.0	1.6	0.0
	C8	0.0	10.5	10.3	0.0
	C9	0.0	0.1	6.7	0.2
	C10	0.0	0.0	5.3	2.3
Olefins:	C11	0.0	0.0	0.1	0.1
	C12	0.0	0.0	0.0	0.0
	C4	0.0	0.0	0.0	0.0
	C5	0.0	0.0	0.0	0.0
	C6	0.0	0.0	0.0	0.0
	C7	0.0	0.0	0.0	0.0
	C8	0.0	0.0	0.0	0.0

Debutanization Fraction	
Component	Vol. %
Methane	0.0
Ethane	0.0
Propane	11.6
i-Butane	8.8
n-Butane	36.5
i-Pentane	18.1
n-Pentane	20.3
C ₆ +	4.6

Whole Crude B-T-X

Component	Vol. %
Benzene	0.202
Toluene	0.494
Ethylbenzene	0.033
Xylenes	0.064

* The gas chromatographic PIANO method used provides for elution and identification of components up to a nominal n-C₁₂ (420° F).

U.S. DEPARTMENT OF ENERGY, STRATEGIC PETROLEUM RESERVE

CRUDE OIL ANALYSIS

Stream SPR Bayou Choctaw SourTerminals DOE St. James Terminal, St. James, LALOCAP Terminal, St. James, LA

Crude								
Specific Gravity	0.8573	Ni, ppm	8.0(7.5)*	ERVP, psia @ 100° F	5.80			
API Gravity	33.6	V, ppm	27.7(27.6)*	Neutralization No.	0.15			
Sulfur, Wt. %	1.41	Fe, ppm	Not Detectable (1.5)*	H ₂ S, ppm (c)*	5.1			
Nitrogen, Wt. %	0.144	Org. Cl, ppm (c)*	0.4	Mercaptans, ppm (c)*	4.2			
Con. Car. Res., Wt. % (c)*	3.64	O.D. Color	15,900	Viscosity: 77° F	8.38	cSt	53.2	SUS
Pour Point, °F	5	UOP "K"	11.90	100° F	5.88	cSt	45.2	SUS
Fraction	1	2	3	4	5	6	7	
Cut Temp.	C ₂ -C ₄	C ₅ -175° F	175°-250° F	250°-375° F	375°-530° F	530°-650° F	650°-1055° F	Residuum
Vol. - mls	180.5	184.6	329.3	585.5	731.4	535.9	1311.8	611.0
Vol. %	4.0	4.1	7.4	13.1	16.4	12.0	29.4	13.7
Vol. Sum %	4.0	8.1	15.5	28.6	45.0	57.0	86.4	100.1
Wt. - grams	108.3	124.8	238.9	451.5	598.6	461.0	1213.4	626.9
Wt. %	2.8	3.3	6.2	11.8	15.6	12.0	31.7	16.4
Specific Gravity	0.6	0.6761	0.7255	0.7712	0.8184	0.8603	0.9250	1.026
API Gravity		77.8	63.5	52.0	41.4	33.0	21.5	8.2
Sulfur, Wt. %		0.010	0.010	0.039	0.32	1.01	2.10	3.57
Mercaptans, ppm		<1	50.3	<1	7.1			
H ₂ S, ppm		31.3	3.8	32.4	<1			
Organic Cl, ppm		1.7	1.7	2.1				
Aniline Point, °F				125.8	144.3	160.5	179.4	
Neutralization No.				0.04	0.07			
Cetane Index				49.62	50.79			
Naphthalenes, vol. %				4.06	11.37			
Smoke point				19.1	14.0			
Nitrogen, Wt. %				0.0006	0.013	0.154	0.582	
Viscosity:								
cSt (SUS)	77° F				2.25(33.5)			
	100° F				1.79 (<32.0)	4.85(41.9)		
	130° F					3.32(37.1)	29.45(139.4)	
	180° F						11.30(63.7)	
	210° F							2864(13359)
	250° F							665.9(3113)
Freezing Point, °F				-31.9				
Cloud Point, °F					22	106		
Pour Point, °F					20	90		
Ni, ppm						Not Detectable	45.6	
V, ppm						Not Detectable	168	
Fe, ppm						Not Detectable	8.9	
Con. Car. Res., Wt. %						--	22.2	

* (c), calculated from fraction results.

C₅-175°F C₅-375°F

Whole crude lead content: 0.022 ppm.

Research Octane Number: 63.5 44.6
Motor Octane Number: 59.4 42.5

Data current as of September 19, 1986, but subject to change.

Gas Chromatographic Analysis**SPR BAYOU CHOCTAW SOUR**

		Distillate fractions, ASTM D 2892			
		C5-175° F Vol. %	175-250° F Vol. %	250-375° F Vol. %	375-420° F Vol. %
* Total Paraffins		45.0	33.4	29.5	36.1
Total Iso-paraffins		40.3	33.5	23.1	0.6
Total Aromatics		2.5	7.6	26.6	36.6
Total Naphthenes		12.2	25.5	16.3	1.9
Total Olefins		0.0	0.0	0.0	0.0
Total Unknowns		0.0	0.0	4.5	24.8
Paraffins:	C1	0.0	0.0	0.0	0.0
	C2	0.0	0.0	0.0	0.0
	C3	0.0	0.0	0.0	0.0
	C4	0.4	0.0	0.0	0.0
	C5	15.0	0.4	0.0	0.0
	C6	28.6	5.6	0.0	0.0
	C7	1.0	19.4	0.7	0.0
	C8	0.0	7.9	6.9	0.0
	C9	0.0	0.0	10.2	0.2
	C10	0.0	0.0	8.5	2.6
	C11	0.0	0.0	3.1	14.1
	C12	0.0	0.0	0.1	19.2
Iso-paraffins:	C4	0.0	0.0	0.0	0.0
	C5	5.7	0.1	0.0	0.0
	C6	29.8	2.7	0.0	0.0
	C7	4.8	16.0	0.3	0.0
	C8	0.0	13.7	3.4	0.0
	C9	0.0	1.1	10.9	0.0
	C10	0.0	0.0	8.4	0.6
	C11	0.0	0.0	0.1	0.0
Aromatics:	C6	2.0	0.7	0.0	0.0
	C7	0.5	5.5	0.9	0.1
	C8	0.0	1.4	8.6	0.1
	C9	0.0	0.0	10.5	1.8
	C10	0.0	0.0	5.6	12.8
	C11	0.0	0.0	1.0	17.8
	C12	0.0	0.0	0.0	4.1
Naphthenes:	C5	2.0	0.1	0.0	0.0
	C6	9.0	4.8	0.1	0.0
	C7	1.2	13.4	1.0	0.0
	C8	0.0	7.1	6.0	0.0
	C9	0.0	0.0	4.3	0.1
	C10	0.0	0.0	4.9	1.7
	C11	0.0	0.0	0.0	0.0
	C12	0.0	0.0	0.0	0.0
Olefins:	C4	0.0	0.0	0.0	0.0
	C5	0.0	0.0	0.0	0.0
	C6	0.0	0.0	0.0	0.0
	C7	0.0	0.0	0.0	0.0
	C8	0.0	0.0	0.0	0.0

Debutanization Fraction	
Component	Vol. %
Methane	0.0
Ethane	0.1
Propane	10.8
i-Butane	7.7
n-Butane	31.5
i-Pentane	19.8
n-Pentane	24.2
C6+	5.9

Whole Crude B-T-X

Component	Vol. %
Benzene	0.134
Toluene	0.428
Ethylbenzene	0.037
Xylenes	0.064

* The gas chromatographic PIANO method used provides for elution and identification of components up to a nominal n-C₁₂ (420° F).

Department of Energy

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EXHIBIT E—SPR DELIVERY POINT DATA

Phillips Terminal (Formerly Seaway Terminal)

(Data as of December 31, 1986)

Location: Brazoria County, Texas (three miles southwest of Freeport, Texas on the Old Brazos River, four miles from the sea buoy)

Crude Oil Streams: Bryan Mound Sweet, Bryan Mound Sour, and Bryan Mound Maya

Delivery Points: Phillips Terminal marine dock facility number 2

Marine Dock Facilities and Vessel Restrictions:

Tankship Docks: 3 Docks: Nos. 1, 2 and 3

Maximum Length Overall (LOA): 750 feet during daylight and 615 feet during hours of darkness

Maximum Beam: 107 feet

Maximum Draft: 37.5 feet; subject to change due to the weather and silting conditions

Maximum Air Draft: None

Maximum Deadweight Tons (DWT): Maximum DWT at Dock No. 1 is 50,000 DWT. Dock Nos. 2 and 3 can accommodate up to 80,000 DWT. Maximum DWT is theoretical berth handling capability; however, purchasers are cautioned that varying harbor and channel physical constraints are the controlling factors as to vessel size, and they are responsible for confirming that proposed vessels can be accommodated.

Barge Loading Capability: Dock No. 1 has the capability to load barges of a minimum 30,000-barrel capacity. Its use, however, is contingent upon the consent of the Government and non-interference with the Government's obligations to other parties.

Oily Waste Reception Facilities: Facilities are available for oily bilge water and sludge wastes. Purchasers are responsible for making arrangements with the terminal and for bearing costs associated with such arrangements.

Customary Anchorage: Freeport Harbor sea buoy approximately 4.5 miles from the terminal.

ARCO Pipeline Company, Texas City Terminal

(DATA AS OF DECEMBER 31, 1986)

Location: Docks 11 and 12, Texas City Harbor, Galveston County, Texas

Crude Oil Streams: Bryan Mound Sweet and Bryan Mound Sour

Delivery Points: ARCO Pipe Line Company Marine Docks (11 and 12) and connections to local commercial pipelines

Marine Dock Facilities and Vessel Restrictions:

Tankship Docks: 2 Docks: Nos. 11 and 12

Maximum Length Overall (LOA): 1,020 feet.

Maximum bow to manifold centerline distance is 468 feet.

Maximum Beam: Dock 11-108 feet; Dock 12-220 feet

Maximum Draft: 39.6 feet; subject to change due to weather and silting conditions

Maximum Air Draft: None

Maximum Deadweight Tons (DWT): 150,000 DWT each. Terminal permission is required for less than 30,000 DWT or greater than 150,000 DWT. Vessels larger than 120,000 DWT are restricted to daylight transit. Purchasers are cautioned that varying harbor and channel physical constraints are the controlling factors as to vessel size, and they are responsible for confirming that proposed vessels can be accommodated.

Barge Loading Capability: None

Oily Waste Reception Facilities: Facilities are available for oily bilge water and sludge wastes. Purchasers are responsible for making arrangements with the terminal and for bearing all costs associated with such arrangements.

Customary Anchorage: Bolivar Roads (breakwater) or Galveston sea buoy.

Sun Terminal

(DATA AS OF DECEMBER 31, 1986)

Location: Nederland, Texas (on the Neches River at Smiths Bluff in southwest Texas, 47.6 nautical miles from the bar)

Crude Oil Streams: West Hackberry Sweet, West Hackberry Sour

Delivery Points: Sun Terminal marine dock facility and Sun Terminal connections to local commercial pipelines

Marine Dock Facilities and Vessel Restrictions:

Tankship Docks: 5 Docks: Nos. 1, 2, 3, 4 and 5

Maximum Length Overall (LOA): 1000 feet

Maximum Beam: 145 feet

Maximum Draft: 40 feet fresh water

Maximum Air Draft: 136 feet

Maximum Deadweight Tons (DWT): Maximum DWT at Dock No. 1 is 85,000 DWT. Dock Nos. 2, 3, 4 and 5 can accommodate up to 130,000 DWT. Vessels larger than 85,000 DWT are restricted to daylight transit. Maximum DWT is theoretical berth handling capability; however, purchasers are cautioned that varying harbor and channel physical constraints are the controlling factors as to vessel size, and they are responsible for confirming that proposed vessels can be accommodated.

Barge Loading Capability: 3 Barge Docks: A, B and C. Each capable of handling barges up to 25,000 barrels capacity. Tankship Dock No. 1 has barge loading capability. Its use, however, is contingent upon the consent of the Government and non-interference with the Government's obligations to other parties.

Oily Waste Reception Facilities: Facilities are available for oily bilge water and

sludge wastes. Purchasers are responsible for making arrangements with the terminal and for bearing costs associated with such arrangements.

Customary Anchorage: South of Sabine Bar Buoy, also at Sabine Bar for vessels with draft of 39 feet or less. Short-term anchorage for vessels of less than 40 foot draft in turning basin.

DOE St. James Terminal

(DATA AS OF DECEMBER 31, 1986)

Location: St. James Parish, Louisiana (30 miles southwest of Baton Rouge on the west bank of the Mississippi River at mile-marker 158.3)

Crude Oil Streams: Bayou Choctaw Sweet, Bayou Choctaw Sour, Weeks Island Sour

Delivery Points: St. James Terminal marine dock facility and LOCAP Terminal (connections to Capline interstate pipeline system and local commercial pipelines)

Marine Dock Facilities and Vessel Restrictions:

Tankship Docks: 2 Docks: Nos. 1 and 2

Maximum Length Overall (LOA): 940 feet

Maximum Beam: None

Maximum Draft: 45 feet

Maximum Air Draft: 153 feet less the river stage

Maximum DWT: 100,000 DWT. Maximum DWT is theoretical berth handling capability; however, purchasers are cautioned that varying harbor and channel physical constraints are the controlling factors as to vessel size, and they are responsible for confirming that proposed vessels can be accommodated.

Barge Loading Capability: None

Oily Waste Reception Facilities: Facilities are available for oily bilge water and sludge wastes. Purchasers are responsible for making arrangements with the terminal and for bearing all costs associated with such arrangements. Terminal can provide suitable contacts.

Customary Anchorage: Grandview Reach approximately 11 miles from the terminal.

EXHIBIT F—[RESERVED]

EXHIBIT G—OFFER GUARANTEE—LETTER OF CREDIT

Procurement and Sales Division, Mail Stop PR-651, Project Management Office, Strategic Petroleum Reserve, U.S. Department of Energy, 900 Commerce Road East, New Orleans, Louisiana 70123

To the Strategic Petroleum Reserve Sales Contracting Officer:

By order of our customer

(name and address of offeror)
we hereby establish in the U.S. Department of Energy's favor an irrevocable Letter of

Credit, Numbered _____, for an amount not to exceed U.S. \$_____, effective immediately as an offer guarantee for the offer of our customer dated _____ in response to the U.S. Department of Energy's Notice of Sale dated _____ for the sale of Strategic Petroleum Reserve petroleum. Liability under this Letter of Credit shall commence upon the date set by the Notice of Sale, including any amendments thereto, for receipt of offers and expires on the twenty-first day thereafter. We agree that our obligation shall not be impaired by any extensions of the date set for receipt of offers, notice of such extension being hereby waived; provided, that such waiver of notice shall not apply to extensions extending more than thirty (30) calendar days beyond the period originally established for receipt of offers.

Funds under this Letter of Credit are available to the U.S. Department of Energy by its draft or drafts drawn on ourselves and accompanied by a manually signed statement of a duly authorized official of the U.S. Department of Energy stating the following:

This drawing of U.S. \$_____ — (U.S. dollar amount expressed in word form)

against your Letter of Credit Numbered _____, dated _____ is due the U.S. Government because of the failure of

(name of offeror)

to honor its offer to enter into a contract for the purchase of petroleum from the Strategic Petroleum Reserve, in accordance with the U.S. Government's Notice of Sale dated _____ and the applicable Standard Sales Provisions (10 CFR part 625, appendix A). Upon receipt of the U.S. Department of Energy's draft and accompanying statement, either by hand or mail, at our office located at _____, we will honor the draft and make payment by 3 p.m. Eastern Standard Time of the next business day following receipt of the draft by wire transfer to the account of the U.S. Treasury through the Federal Reserve Communications System. Each wire transfer shall be formatted in accordance with prescribed Treasury requirements as shown in Exhibit I of the Standard Sales Provisions, 10 CFR part 625, appendix A.

This Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (1983 Revision, International Chamber of Commerce Publication No. 400) and except as may be inconsistent therewith, to the Uniform Commercial Code in effect on the date of issuance of this Letter of Credit in the state in which the issuer's head office within the United States is located.

Address all communications regarding this Letter of Credit

to _____
(address and any applicable reference)

Department of Energy

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Yours Truly,

Authorized Signature.

EXHIBIT H

Payment and Performance Guarantee—Letter of Credit

Procurement and Sales Division, Mail Stop
PR-651, Project Management Office,
Strategic Petroleum Reserve, U.S. De-
partment of Energy, 900 Commerce Road
East, New Orleans, Louisiana 70123

To the Strategic Petroleum Reserve Sales
Contracting Officer:

By order of our customer

(name and address)

we hereby establish in the U.S. Department
of Energy's favor an irrevocable Letter of
Credit, Numbered _____, for about U.S.
\$ _____ (the U.S. dollar amount ex-
pressed in word form)

effective immediately and expiring at our of-
fice located at _____

(address)

one hundred and twenty (120) days from the
date of issuance of this Letter of Credit, re-
lative to an offer by our customer dated
_____, to purchase Strategic Petroleum Re-
serve petroleum.

Funds under this Letter of Credit are
available to the U.S. Department of Energy
by its draft or drafts drawn on ourselves.
Such draft or drafts may be transmitted by
telex or U.S. Mail and shall contain either a
statement that:

This drawing is due to the U.S. Depart-
ment of Energy under your letter of Credit
number _____ for

(customer's name). Payment of U.S. \$ _____
to be made by wire transfer to U.S. Depart-
ment of Energy on

(date)

under contract number DE-SC96-_____.
SPRCODR No. _____ for delivery of _____
barrels of oil at U.S. \$ _____ per barrel, plus/
minus \$ _____ per barrel gravity adjustment.
The wire draft should include our FEDWIRE
number and other pertinent wire informa-
tion as follows: Transfer to TREAS Code
021030004 TREAS NYC/(89000201) Dept of En-
ergy (SPRO) U.S. \$ _____ payment for the
sale of crude oil under contract No. DE-
SC96-_____. SPRCODR No. _____. Deposit
Account 89X0233.91.

or a statement that:

This drawing is due the U.S. Department of
Energy under your letter of Credit number
_____ for

(customer's name).

Payment of U.S. \$ _____ to be made by wire
transfer to U.S. Department of Energy be-
cause of failure of company to accept deliv-
ery of petroleum under contract number DE-
SC96-_____ at the time specified in the con-
tract resulting in damages due under the
contract in that amount. The wire draft
should include our FEDWIRE number and
other pertinent wire information as follows:
Transfer to TREAS Code 021030004 TREAS
NYC/(89000201) DEPT OF ENERGY (SPRO)
U.S. \$ _____ payment for damages incurred
by failure to accept delivery under contract
number DE-SC96-_____. Deposit Account
89X0233.91.

or both.

We also will honor drafts presented over
the Federal Reserve Bank's FEDWIRE sys-
tem, provided that each such draft contains
either a statement that:

Third Party sender, re your LOC#

(Letter of Credit No.)
for

(customer name)

Third Party receiver, Transfer to TREAS
Code 021030004 TREAS NYC (89000201) Dept of
Energy (SPRO) \$ _____ payment due on

(date)

for sale of oil under contract No. _____.
SPRCODR No. _____ for _____ bls @ \$ _____
bl ± _____ degrees at \$0. _____ gravity adjust-
ment and \$ _____ for delivery damages. De-
posit Account 89X0233.91.

or a statement that:

Third Party sender, re your
LOC#

(Letter of Credit No.)

for

(customer name)

Third Party receiver, Transfer to TREAS
Code 021030004 TREAS NYC/(89000201) DEPT
OF ENERGY (SPRO) \$ _____ payment due for
damages from failure to perform in accord-
ance with contract No. _____. Deposit Ac-
count 89X0233.91

or other wire message containing the rel-
evant information. The wire draft should in-
clude our FEDWIRE number and other infor-
mation pertinent to a request for a wire
transfer of funds over FEDWIRE, as follows:

For drafts presented by telex or FEDWIRE,
the U.S. Government's invoice (including
supporting documents) shall be forwarded to
us by regular mail.

The U.S. Department of Energy may make multiple drawings totalling up to the amount of funds indicated in the first paragraph as available under this Letter of Credit.

Upon receipt of the U.S. Department of Energy's draft and accompanying statement, we will honor the draft and make payment by 3 p.m. Eastern Standard Time on the date stated in the draft (or the next business day if the stated date does not fall on a regular business day), by wire transfer of funds over FEDWIRE to account number 021030004 of the U.S. Treasury through the Federal Reserve Communications System. Each wire transfer of funds shall be formatted in accordance with prescribed U.S. Treasury requirements as shown in Exhibit I of the Standard Sales Provisions, 10 CFR part 625, appendix A.

This Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (1983 Revision, International Chamber of Commerce Publication No. 400) and except as may be inconsistent therewith, to the Uniform Commercial Code in effect on the date of issuance of this Letter of Credit in the state in which the issuer's head office within the United States is located. Address all communications regarding this Letter of Credit

to _____
(address and any applicable reference)

Yours truly,

Authorized signature.

EXHIBIT I—INSTRUCTION GUIDE FOR FUNDS
TRANSFER MESSAGES TO TREASURY

The following instructions provide specific information which is required so that a funds (wire) transfer message can be transmitted to the Department of Treasury. The funds transfer message format is shown in Attachment 1. A narrative description of each item on the funds transfer message follows:

Line 1

Item 1—*Priority Code*—The priority code will be provided by the sending bank. (Note: Some Federal Reserve District banks may not require this item.).

Line 2

Item 2—*Treasury Department Code*—The 9-digit identifier "021030004" is the routing symbol of the Treasury. This item is a constant and is required for all funds transfer messages sent to Treasury.

Item 3—*Type Code*—The type code will be provided by the sending bank (will be a 10 or 12).

Line 3

Item 4—*Sending Bank Code*—This 9-digit identifier will be provided by the sending bank.

Item 5—*Class*—The class field may be used at the option of the sending bank. (Note: Some Federal Reserve Districts prohibit use of this field.)

Item 6—*Reference Number*—The reference number will be inserted by the sending bank to identify the transaction.

Item 7—*Amount*—The amount must include the dollar sign and the appropriate punctuation including cents digits. This item will be inserted by the sending bank.

Line 4

Item 8—*Sending Bank Name*—The telegraphic abbreviation which corresponds to Item 4 will be provided by the sending bank.

Line 5

Items 9, 10, and 11—*Treasury Department, Name, Agency Location Code, Agency Number*—This item is of critical importance. It must appear on the funds transfer message in the precise manner as stated to allow for the automated processing and classification of funds transfer message to Treasury for credit to the Department of Energy. This item is comprised of a rigidly formatted, left justified, nonvariable sequence of characters as follows:

TRES NYC/(89000201) Dept. of Energy (SPRO).

Item 12—*Payment Identification*—The payment identification should be furnished by the remitter in the following manner:

Lines 6 and 7

For contracts payments, either the constant "Payment for the Sale of Crude Oil Under Contract #____. SPRCODR #____" or "Payment for Damages Incurred by Failure to Accept Delivery Under Contract #____" will be inserted. For offer guarantees, the constant "Offer Guarantee for the Sale of Crude Oil Under NS #____" for (Name), (Taxpayer ID or Social Security Number) will be inserted.

Line 8

The constant "Deposit Account 89X0233" will be inserted.

Important Note: Line Nos. 2 and 5 are edited by the Federal Reserve Bank. If the wire transfer message is not formatted as prescribed above, the message will be rejected by the FED Bank and returned to the sending bank.

Department of Energy

Pt. 625, App. A

SAMPLE OF FUNDS TRANSFER MESSAGE FORMAT FOR SPR OIL SALE

02			
To	Type		
021030004	10		
From	Class	Ref	Amount
011000390		0650	\$500,000.00
Ordering Bank and Related Data			
FIRST BOS			
TREAS NYC/(89000201) DEPT OF ENERGY (SPRO)			
PAYMENT FOR THE SALE OF CRUDE OIL UNDER			
CONTRACT #		SPRCODR #	
DEPOSIT ACCOUNT 89X0233			

Attachment 1 to Exhibit I

EXHIBIT J

STRATEGIC PETROLEUM RESERVE CRUDE OIL DELIVERY REPORT				1. SALES CONTRACT NUMBER		2. TERMINAL REPORT NUMBER	
3. CARGO NUMBER		4. DATE DELIVERED		5. TRANSPORTATION MODE <input type="checkbox"/> TANKER <input type="checkbox"/> BARGE <input type="checkbox"/> PIPELINE		6. ACCEPTANCE POINT <input type="checkbox"/> ORIGIN <input type="checkbox"/> DESTINATION	
7. SHIPPING SPR SITE/TERMINAL		8. PURCHASER NAME AND ADDRESS				9. CARRIER	
10. CONTRACT LINE ITEM		11. DESCRIPTION OF CRUDE OIL AND GROSS BBLs		11A. API GRAVITY		11B. TOTAL SULPHUR %	
MLT	DLI					12. DEL'D NET BBLs @ 60°F	
						13. UNIT PRICE	
						14. AMOUNT DUE	
15. QUALITY ADJUSTMENT — INCREASE/(DECREASE)							
15A. NET GRAVITY ADJUSTMENT FROM 15B(S) _____ °							
15B. CALCULATION OF GRAVITY ADJUSTMENT							
(1) ADVERTISED API GRAVITY.....							
(2) DELIVERED API GRAVITY.....							
(3) VARIANCE - (2)minus(1) PLUS/(MINUS)							
(4) ALLOWABLE VARIANCE.....							
(5) NET VARIANCE-(3)minus(4) +/(-).....							
16. NET AMOUNT DUE							
17. THE DELIVERED NET BARRELS, UNIT PRICE, QUALITY ADJUSTMENT, AND NET AMOUNT DUE HAVE BEEN VERIFIED.							
SIGNATURE: _____							
INVENTORY MANAGER							
18. REMARKS							
19. VESSEL DATA							
19A. VESSEL NAME							
19B. TIME STATEMENT							
				DATE		TIME	
NOTICE OF READINESS TO LOAD							
VESSEL ARRIVED IN ROADS							
FIRE LINE ASHORE							
MOORED ALONGSIDE							
STARTED BALLAST DISCHARGE							
FINISHED BALLAST DISCHARGE							
INSPECTED AND READY TO LOAD							
CARGO HOSES CONNECTED							
COMMENCED LOADING							
STOPPED LOADING							
RESUMED LOADING							
FINISHED LOADING							
CARGO HOSES REMOVED							
VESSEL RELEASED BY INSPECTOR							
COMMENCED BUNKERING							
FINISHED BUNKERING							
VESSEL LEFT BERTH (ACTUAL OR ESTIMATED)							
20. RECEIPT IS ACKNOWLEDGED OF THE QUANTITY AND QUALITY SHOWN HEREON:							
DATE RECEIVED: _____							
AGENT: _____							
BY: _____							
NAME TYPED/PRINTED							
21. GOVERNMENT INSPECTOR'S CERTIFICATE:							
I HEREBY CERTIFY THAT THE (VESSEL CARGO) (PIPELINE SHIPMENT) WAS INSPECTED, DELIVERED AND ACCEPTED AS SHOWN HEREON.							
DATE _____ SIGNATURE _____							
NAME TYPED/PRINTED							
22. I CERTIFY THAT THE TIME STATEMENT SHOWN HEREON IS CORRECT.							
SIGNATURE _____							
MASTER OF VESSEL							

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EXHIBIT K—OFFER GUARANTEE CALCULATION WORKSHEET

MLI:

Column	MAXQ (thou- sands/bbls)	Unit price (dollars)	DLI (C)	DESQ (thou- sands/bbls)	MINQ (thou- sands/bbls)	Total DLI price (thou- sands/dol- lars)	Bond factor (G)	Product (dol- lars)	(H)
Row: 1									
2							x50		
3							x50		
4							x50		
5							x50		
6							x50		
7							x50		
Total									

1. Using separate worksheet for each MLI offered against, from the SPR Sales Offer Form, enter the MLI maximum quantity offered on (expressed in thousands of barrels) in Column (A), Row 1.

2. Starting with the highest DLI unit price offered on the MLI from the SPR Sales Offer Form (and the highest preference if the unit prices of two or more DLIs are the same) enter the unit price in Row 1, Column (B); the DLI letter in Row 1, Column (C); the DLI desired quantity is Row 1, Column (D) (in thousands of barrels) and the minimum quantity in Row 1, Column (E). (The minimum quantity is either the Government's minimum contract quantity, if the offer indicates the offeror will accept as little as that amount, or the desired quantity, if the offeror indicates they will accept no less than that amount. See instructions for the SPR Sales Offer Form.)

3. Enter the desired quantity in Column (D), or the minimum quantity in Column (E) exceeds the maximum quantity in Column (A), you have made an error either on this form or the offer form and should recheck your figures.

4. Multiply the price in Row 1, Column (B) times the desired quantity in Column (D) (as expressed in thousands) and enter the total DLI price in Column (F).

5. Multiply the DLI price in Column (F) times the factor in Column (G) and enter the product in Column (H). The factor is 5% of 1000.

6. Subtract the DLI desired quantity in Row 1, Column (D) from the maximum quantity in Row 1, Column (A). Enter the result in Row 2, Column (A). If the result is zero, go to step 11.

7. Enter the next highest unit price for the MLI from the offer form in Row 2, Column (B). Enter the DLI letter, desired quantity and minimum quantity in their respective columns. If there is a maximum quantity remaining in Row 2, Column (A), but no more DLI offers, or the minimum quantity in Row 2, Column (E) exceeds the maximum quantity, you may have made an error and should recheck your figures.

8. Multiply the price in Row 2, Column (B) times the remaining maximum quantity in Column (A), or the desired quantity in Column (D) times the unit price (even if this quantity is less than MINQ) and enter the resulting DLI price in Column (F).

9. Multiply Column (F) times the factor in Column (G) and enter the product in Column (H).

10. Repeat steps 6-9 for the next higher unit price until maximum quantity remaining is zero, then go to step 11.

11. Sum the amounts in Column (H) and enter the sum in Row 8, Column (H). Sum the amounts in all the worksheets. If the sum of all the worksheets is less than \$10,000,000, enter the sum in the spaces marked offer bond on the SPR Sales Offer Form. If the sum exceeds \$10,000,000, then enter \$10,000,000 on the offer form. Obtain an offer guarantee in the amount indicated on the offer form and submit with the offer. These worksheets need not be submitted with the offer and should be retained for your files.

[53 FR 20511, June 3, 1988]